



# **2005 North Carolina Consolidated Annual Performance and Evaluation Report**

***Participating Agencies:***

**North Carolina Department of Commerce, Division of Community Assistance  
North Carolina Housing Finance Agency  
North Carolina Department of Health and Human Services, Office of Economic  
Opportunity  
North Carolina Department of Health and Human Services, AIDS Care Unit**

*State of North Carolina  
2005 Consolidated Annual Performance and Evaluation Report  
March 31, 2006*

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## **EXECUTIVE SUMMARY**

The **2005 North Carolina Consolidated Annual Performance and Evaluation Report, CAPER**, is a collaborative effort between the following agencies:

- Department of Commerce, Division of Community Assistance;
- Housing Finance Agency;
- Department of Health and Human Services, Office of Economic Opportunity;
- Department of Health and Human Services, AIDS Care Unit

The CAPER is based in part on the **2005 Consolidated Annual Action Plan** and the **North Carolina Consolidated Action Plan, 2001-2005**. The four partnering entities received grants to provide housing and housing-related; community and economic development; and supportive services to low and moderate-income individuals and families; homeless individual and families; and individuals with HIV/AIDS and their families. This document details the resources received and the programs used to improve the lives, living conditions and provide education, employment and entrepreneurial opportunities for North Carolina's poorest citizens during the 2005 calendar year.

### ***Summary of Housing Needs***

The first **North Carolina Annual Action Plan, 2001-2005** included a summary of housing needs that remains the baseline for providing housing and housing-related services.

*“The State projects that over 15,400 households will be assisted through the construction or rehabilitation of housing units, home buyer assistance for existing housing, rental assistance and some housing-related services. The State expects to administer approximately \$373 million in federal, state, housing tax credit equity, and private funds to support housing programs in 2001. These funds will be targeted according to the priorities established in the Five-Year Housing Strategy, 2001-2005. The housing needs are listed below alphabetically and were determined based on the incidence of housing problems among the population...the total number of households affected; and the appropriateness of the resources available for meeting the needs. Almost one-third of the State's discretionary funding is proposed to target its “high priority need” category.*

The federal funds received by the four participating agencies that comprise this CAPER are intended to address major housing and community development needs in North Carolina; programs, projects and strategies are based on three goals:

- Provision of decent and affordable housing;
- Provision of a suitable living environment; and,
- Expansion of economic opportunity.

**The North Carolina Consolidated Plan, 2001-2005**, established priority needs categories in its Housing Action Plan as follows:

### ***High Priority Need***

- *Assist Existing Home Owners Earning 0-30% of Median Family Income*
- *Assist Families and Individual Displaced by Disaster Earning 0-50% Median Family Income*
- *Assist Homeless Families and Individuals*
- *Assist Non-Homeless Persons with Special Needs Earning 51-80% of Median Family Income*
- *Assist Renters Earning 51-80% of Median Family Income*

### ***Medium Priority Need***

- *Assist Existing Home Owners Earning 31-50% of Median Family Income*
- *Assist Families and Individuals Displaced by Disaster Earning 51-80% of Median Family Income*
- *Assist Non-Homeless Persons with Special Needs Earning 51-80% of Median Family Income*
- *Assist Renters Earning 51-80% of Median Family Income*

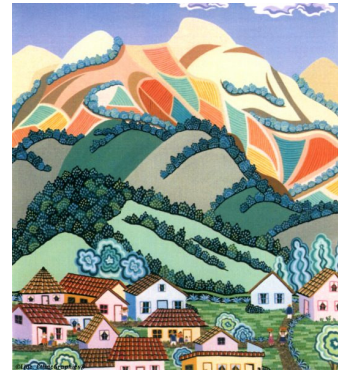
### ***Low Priority Need***

- *Assist Existing Home Owners Earning 51-80% of Median Family Income*

The State of North Carolina receives funds from the United States Department of Housing and Urban Development, HUD, in four formula grants that together have three basic goals:

- Provide decent housing;
- A suitable living environment; and
- Expand economic opportunity

Since 1999, the state has pursued a consolidated planning process that addresses the major housing and community development needs affecting North Carolina communities, determines priorities for addressing those needs, and lays out a strategy for using the resources available. Pursuant to the provisions of 24 CFR, *Housing and Urban Development, Part 91, Performance Reports*, the state has prepared a Consolidated Annual Performance and Evaluation Report, CAPER, on its progress in implementation of the **2005 Annual Action Plan** and the **North Carolina Consolidated Action Plan, 2001-2005**.



**The CAPER consists of performance reports submitted by the four partnering agencies responsible for administering these funds:**

- The North Carolina Department of Commerce, Division of Community Assistance;
- The North Carolina Housing Finance Agency;
- The North Carolina Department of Health and Human Services, Office of Economic Opportunity; and,
- The North Carolina Department of Health and Human Services, AIDS Care Unit

In the *North Carolina Consolidated Plan Five-Year Plan 2001-2005*, the state identified housing needs. These rankings are based on housing and population information captured from the 2000 census data and special tabulations. Table 1, *Summary of Priorities by Household and Income Tenure*, summarizes the state's housing priorities by rank order.

**Table 1, Summary of Priorities by Household and Income Tenure**

<b>Percent of Median Family Income</b>	<b>Renters</b>	<b>Existing Owners</b>	<b>Homeless Families and Individuals</b>	<b>Non-homeless Persons with Special Needs</b>	<b>Families and Individuals Displaced by Disaster</b>
0-30%	High	High	High	High	High
31-50%	High	Medium	High	High	High
51-80%	Medium	Low	High	Medium	Medium

These figures include small households of up to 4 persons and large households, of five or more. For a more detailed discussion of housing priority needs, refer to the housing needs assessment in the *North Carolina Consolidated Action Plan, 2001-2005*.

## **SUMMARY OF RESOURCES**

In 2005, the State assisted nearly 53,000 households and individuals through four core programs, which funded the construction/rehabilitation of housing units, and provided assistance for home-buyer initiatives, rental assistance, and housing-related and homeless services. These four programs are:

### **The Small Cities Community Development Block Grant Program (CDBG)**

Funds help local governments improve deteriorating residential neighborhoods, support public services, install water and sewer facilities for residential areas or to job-creating industrial sites, and provide loans to large and small businesses.



The North Carolina Department of Commerce's Division of Community Assistance administers CDBG funds for community development activities, while funds for economic development activities are administered by the North Carolina Commerce Finance Center. In 2005, North Carolina received \$50,010,517 for the state's Small Cities CDBG program.

### **The HOME Investment Partnerships Program (HOME)**

Funds help local governments, nonprofit organizations, and developers build or improve affordable housing and provide rental assistance and affordable second mortgages. HOME is administered by the N.C. Housing Finance Agency. This year the N.C. Housing Finance Agency received \$20,378,467 in resources through the HOME program. The State's General Assembly appropriated \$1,750,945 in public, nonfederal funds to match the federal HOME funds.

### **The American Dream Downpayment Initiative Program (ADDI)**

Funds help low-income first-time homebuyers to purchase affordable homes. ADDI is administered by the N.C. Housing Finance Agency. The Agency received \$679,254 in ADDI funds for Federal Fiscal Year 2005.

### **The Emergency Shelter Grants Program (ESG)**

Funds help local governments and nonprofit organizations support emergency shelters and transitional housing for the homeless, provide essential services, and prevent homelessness. ESG is administered by the Office of Economic Opportunity in the N.C. Department of Health and Human Services. In 2005 the State received \$2,493,605 in resources through the ESG program.

### **Housing Opportunities for Persons With AIDS Program (HOPWA)**

Funds help nonprofit agencies meet the housing needs of persons living with AIDS or related diseases, and their families. The AIDS Care Unit in the Department of Health and Human Services administers the HOPWA Program. This year the State received \$2,010,000 in resources through the HOPWA program.

These funds, along with other private and nonfederal resources, were available in 2005 to address program goals, priority needs, and specific objectives described in the 2005 Annual Action Plan. The nonfederal and private resources (namely the Mortgage Revenue Bonds, Federal and State Housing Credits, the North Carolina Home Protection Pilot Program and Loan Fund, and the North Carolina Housing Trust Fund) were used in conjunction with federal HOME and CDBG funds to develop rental housing, rehabilitate existing housing, relocate low-and-moderate income families into proper housing, prevent foreclosure due to job loss and provide homebuyer assistance to first time homebuyers. The table below, *Housing Resources by Funding Source and Administering Agency*, summarizes the resources used in the state for affordable housing.

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**Table 2, Housing Resources by Funding Source and Administering Agency**

	Name of Program	Administering Agency	Anticipated Funding for FY 05 (in \$000s)	Actual Funding for FY 05 (in \$000s)	Program Directly Administered?	Not administered directly, funds are distributed to...
<b>Federal Funds</b>						
CDBG <sup>(1)</sup>	Small Cities Community Development Block Grant Program	Division of Community Assistance	21,747	29,086	No	Units of local government in non-entitlement areas
ESG <sup>*(2)</sup>	Emergency Shelter Grants Program	Office of Economic Opportunity	2,359 <i>FY 2005-2006</i>	2,494	No	Nonprofit organizations and units of local government
HOME & ADDI*	Downpayment Assistance Program	NCHFA	1,260	1,050	No	Private mortgage lenders
HOME	IDA Loan Pool	NCHFA	1,000	1,000	No	Nonprofit organizations and units of local government
HOME	New Homes Loan Pool	NCHFA	3,000	3,000	No	Nonprofit organizations and units of local government
HOME	NCHFA/USDA-Rural Development Leveraging Program (Rural Opportunity Mortgage Program)	NCHFA	10,000	20,000	No	USDA
HOME	Rental Production Program	NCHFA	9,700	9,700	Yes	
HOME	Rental Preservation Loan Program	NCHFA	10,000	10,000	Yes	
HOME	Self-Help Loan Pool	NCHFA	2,000	4,000	No	Self-help housing organizations
HOME	Single-Family Rehabilitation Program	NCHFA	8,000	6,000	No	Units of local government, nonprofits and regional agencies
HOME	Supportive Housing Development Program	NCHFA	3,500	7,000	Yes	
HOPWA*	Housing Opportunities for Persons with AIDS Program	AIDS Care Unit	2,010	2,010	No	HIV Care consortia, nonprofit housing service providers, adult day care providers, family home care operators, and housing authorities
<b>Nonfederal Public Resources (State Funds)</b>						
HTF and HOME Match	Rental Production Program	NCHFA	4,300	4,300	Yes	
HTF	Supportive Housing Development Program	NCHFA	1,500	1,500	Yes	
HTF and Other Agency Funds	Urgent Repair Program	NCHFA	2,500	2,500	No	Units of local government, nonprofits and regional agencies
<b>Private Resources</b>						
Housing Tax Credits <sup>*(3)(4)</sup>	Federal and State Housing Credits	NCHFA	183,000	199,896	Yes	
Mortgage Credit Certificate*	Private Activity Volume Cap Allocation	NCHFA	24,400	100,000	No	Private mortgage lending institutions statewide
Mortgage Revenue Bonds*	Mortgage Loan Program	NCHFA	215,000	315,000	No	Private mortgage lending institutions statewide



(1) The CDBG funds in this table and this report are only those funds designated strictly for housing activities; CDBG funds used in the economic development, infrastructure (excluding hook-ups), urgent needs, and capacity building categories are not included. Total dollar amounts are also exclusive of administration and technical assistance costs.

(2) Must be used for shelter operations, client services and homeless prevention

(3) Includes 4% bonds.

(4) Figure is equity expected to be generated, not credits allocated.

\* These programs have funding that must be used for a specific housing-related activity and/or must be targeted for specific populations (nondiscretionary funding). The other programs' funding may have income restrictions, but the types of housing activity and target population are not restricted (discretionary funding).

## ***Distribution of Resources***

Each of the four participating agencies that comprise the CAPER receives funds from the United States Department of Housing and Urban Development. Following is a brief discussion of the distribution of these resources for the 2005 program year.

### ***Division of Community Assistance***

**Community Development Block Grant Program (CDBG):** Approximately \$50 million was committed to the Small Cities Community Development Block Grant program. Approximately \$29.1 million was allocated statewide for direct housing purposes; twenty-five percent, 25%, of these funds were awarded competitively and the remaining seventy-five percent, 75%, was distributed on a non-competitive basis. The remaining \$22.5 million was designated for capacity building, economic development, infrastructure, administrative support, and other non-housing related activities.

### ***North Carolina Housing Finance Agency***

HFA distributed its funds among nine programs for the provision of housing-related services to low-income families.

**Downpayment Assistance Program (DAP):** The Downpayment Assistance Program, used in conjunction with the Single Family Loan Program, makes available interest-free deferred second mortgages of up to \$7,000 for first-time homebuyers who need help with down payment and closing costs. 1.05 million was budgeted and 1.85 million was loaned to first-time homebuyers.

**Federal and State Housing Credit Programs:** Tax credits were allocated to for-profit and nonprofit developers through one competitive two-stage annual funding cycle.

**Mortgage Credit Certificate Program (MCC):** 100 million in funds was made available through participating lenders on a first-come, first-served basis. Borrowers were able to access funds through mortgage lenders located throughout the state.

**New Homes Loan Pool:** 3 million was allocated for this program. No funds from this loan pool are to be paid to sub-recipients; instead, organizations apply for *membership*; pre-approval and subordinate mortgage assistance for their homebuyers on a case-by-case basis.

**Rental Production Program:** 3.2 million was disbursed to projects that closed in 2005. Loan funds are awarded to nonprofit and for-profit developers through an annual competitive funding cycle.

**Self Help Housing Program:** The Self Help Housing Program has also been converted to a loan pool. 2 million was allocated and more than 3.5 million was spent on specific units.

**Single Family Loan Program (MRB):** 315 million in bonds were issued for eligible borrowers on a first-come, first-served basis through participating mortgage lending institutions and 146 million worth of loans closed during the program year.

**Single Family Rehabilitation Program (SFR):** 6 million in SFR funds were made available through a rotating competitive award system.

**Supportive Housing Development Program (SHDP):** The Supportive Housing Development Program loans funds to nonprofit organizations for development of rental housing for populations with special needs, i.e. homelessness, physical and developmental disabilities, mental illness, and HIV/AIDS, where supportive services can be provided. 8.5 million was allocated to this program, and \$467,000 in HOME funds were used for the construction of permanent supportive housing for the homeless.

### ***Office of Economic Opportunity***

**Emergency Shelter Grants:** \$2,368,925, or ninety-five percent, 95%, was awarded to 117 nonprofit organizations and three units of local government operating a total of 144 shelters for the homeless in 53 counties. The remaining \$124,680, or five percent, 5%, was used for program administration. Eligibility for funding was determined through a pre-application review. Applicants meeting all program criteria were notified of their approved funding level and given a full application package. Grant agreements were executed in June and all program funds were disbursed.

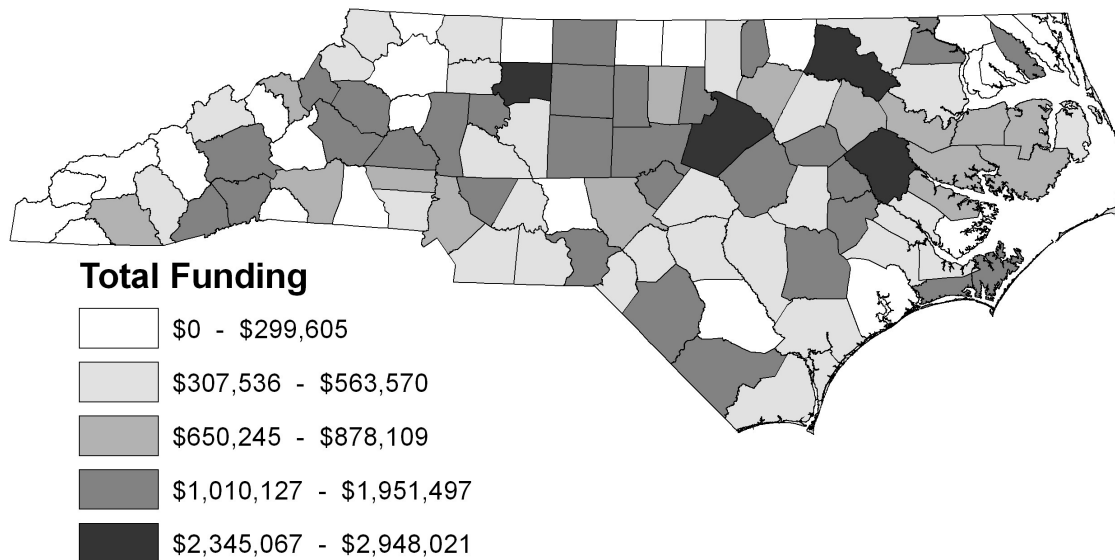
### ***AIDS Care Unit***

**Housing Opportunities for Persons with AIDS Program:** The HOPWA program's annual allocation can be used over a period of three years from the date of receipt. \$60,300, or three percent, 3%, was set aside for grantee administration and \$1,900,000, or ninety-seven percent, 97%, was awarded to 20 nonprofit/public agencies through a competitive application process. These providers include family care homes, adult day/health service centers, HIV Care Consortia, housing authorities and other nonprofit agencies that provide housing and related services to persons living with HIV/AIDS and their families.

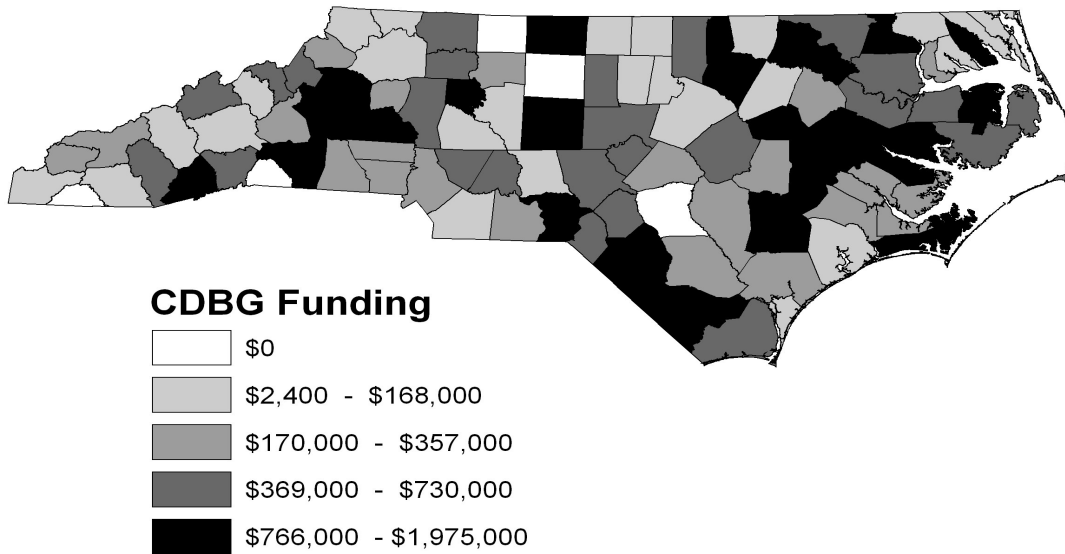
## ***Geographic Distribution of Resources***

Each of the four programs has unique methods of geographic distribution. Funding for the Community Development Block Grant Program is directed to non-entitlement communities. Emergency Shelter Grant, HOPWA and HOME funds are distributed statewide. For the HOPWA program, the home county of the agency that received funds is shown on the map, even though that agency may serve multiple counties. It is not possible at this time to report the amount of HOPWA funds spent in each county that a multi-county agency serves. The following pages contain maps showing the actual distribution of funds for the CDBG, HOME & ADDI (administered through the North Carolina Housing Finance Agency), ESG, and HOPWA programs during 2005. Table 3, *2005 Funding Distribution – All Programs*, illustrates the amounts and locations of distributions.

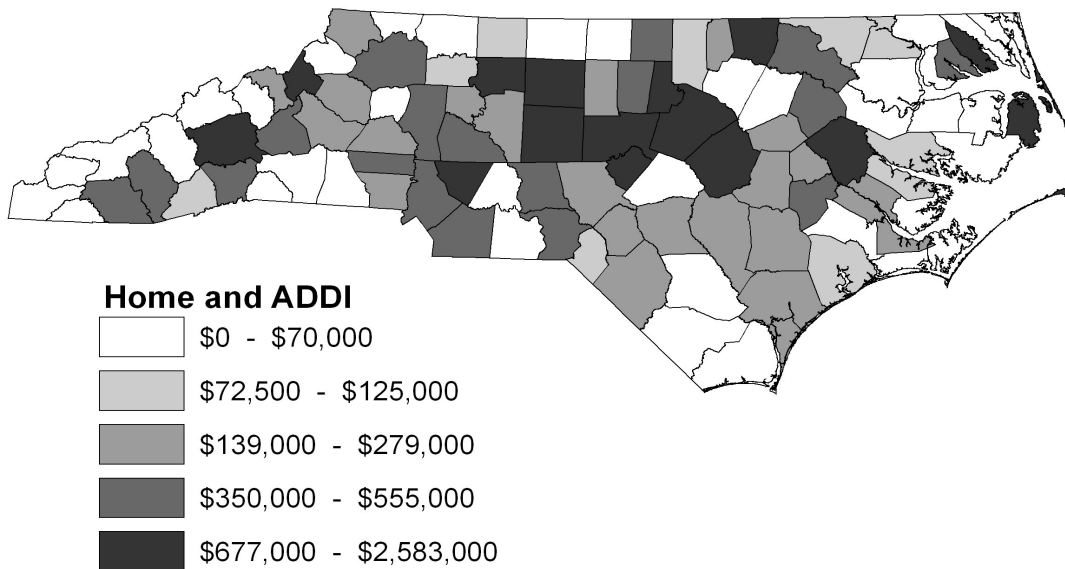
**Map 1, 2005 Funding Distribution – All Programs**



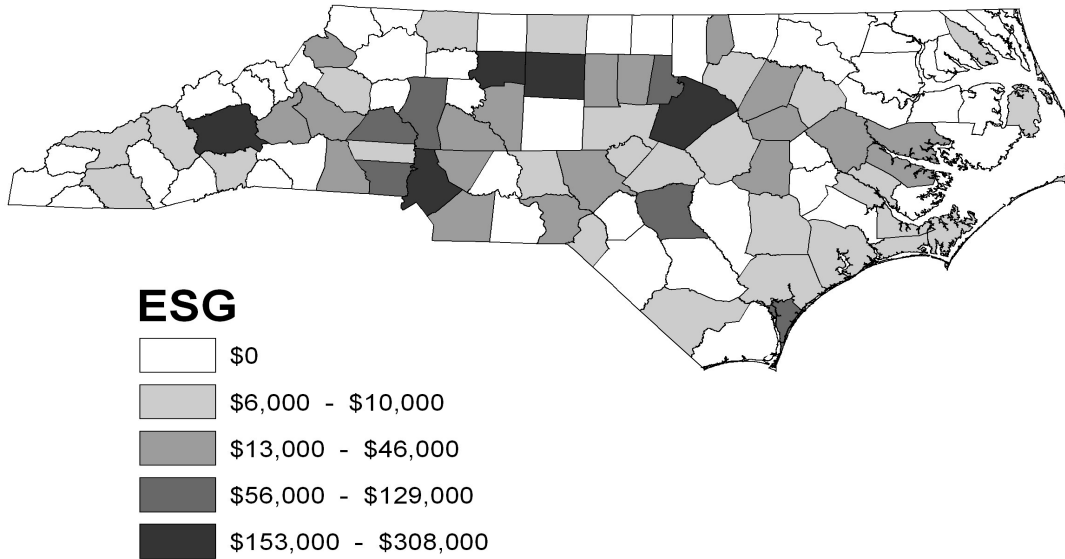
**Map 2, Funding Distribution – CDBG Program**



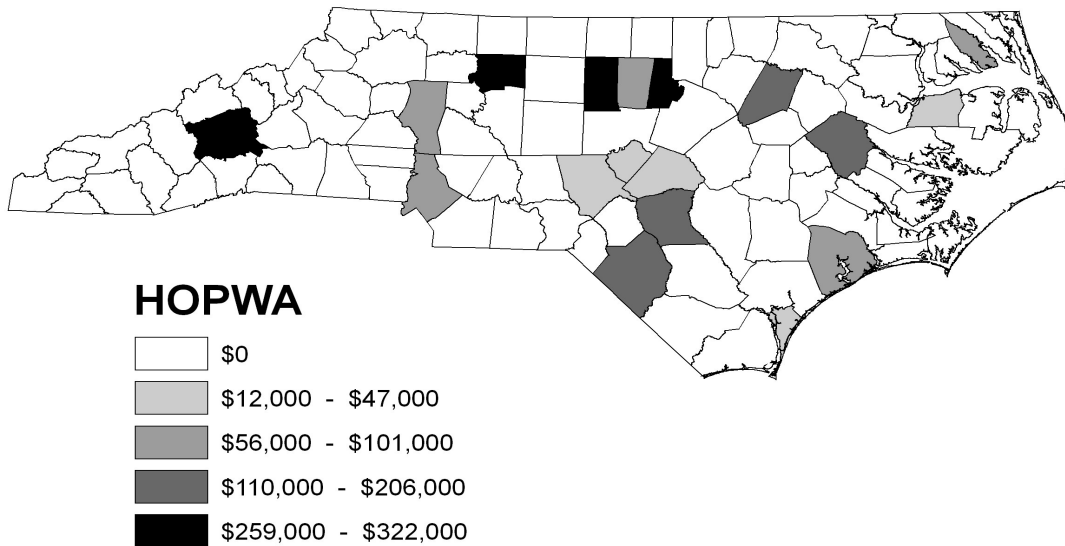
**Map 3, Funding Distribution – HOME & ADDI Programs**



**Map 4, Funding Distribution – ESG Program**



**Map 5, Funding Distribution – HOPWA Program**



## **HOUSEHOLDS AND PERSONS ASSISTED**

### ***Racial and Ethnic Status of Households Assisted***

Table 3, *Racial and Ethnic Status of Households – CDBG and HOME Funded Projects*, and Table 4, *Racial and Ethnic Status of Households – ESG and HOPWA Funded Projects*, indicate the racial and ethnic groups of assisted households. Improved reporting methods have minimized the number of households in the *unknown* category.

**Table 3, Racial and Ethnic Status of Households – CDBG and HOME Funded Projects**

<b>Race/Ethnic Group</b>	<b>Number Assisted</b>	<b>Percentage Assisted</b>
American Indian/Alaska Native	13	<1%
Asian	22	<1%
Black/African American	5,174	59%
Native Hawaiian/Other Pacific Islander	13	<1%
White	3,259	37%
American Indian/Alaska Native and Black/African American	9	<1%
American Indian/Alaskan Native & White	10	<1%
Asian and White	2	<1%
Black/African American and White	46	<1%
Other Multi-racial	184	2%
Unknown race	2	<1%
<b>Total</b>	<b>8,734</b>	<b>100%</b>

Hispanic <sup>1</sup>	1,238	14%
Nonhispanic <sup>1</sup>	7,366	84%
Unknown ethnicity <sup>1</sup>	130	2%
<b>Total</b>	<b>8,734</b>	<b>100%</b>

**Table 4, Racial and Ethnic Status of Households – ESG and HOPWA Funded Projects**

<b>Race/Ethnic Group</b>	<b>Percentage Assisted</b>	
	<b>ESG</b>	<b>HOPWA</b>
Black/African American	53%	73%
White	36%	23%
Asian	1%	<1%
Native American	1%	2%
Other	4%	0%
Hispanic <sup>1</sup>	5%	2%

<sup>1</sup> For the ESG program, Hispanics are considered an ethnic group and not a race. This distinction is not mutually exclusive of other categories in these tables.



## ***Households Assisted According to Priority Need Category***

### **Division of Community Assistance**

DCA provides assistance for individuals and families through five major categories:

- Community Revitalization: including Concentrated Needs and Revitalization Strategies;
- Scattered Site Housing;
- Economic Development;
- Housing Development; and,
- Infrastructure.

DCA saw continued success of the CDBG program in assisting low-to-moderate income persons with housing and infrastructure improvements. DCA provided direct housing assistance to 1,332 households in 2005. Encapsulating all of DCA's programs to include infrastructure, urgent needs, and other community development activities, a total of 5,469 households were provided assistance ranging from provision clean drinking water, improved public services, financial literacy training to help lift out of poverty, employment possibilities that were non-existent prior to the business moving to where they lived, and access to medical and dental care that was previously unobtainable.

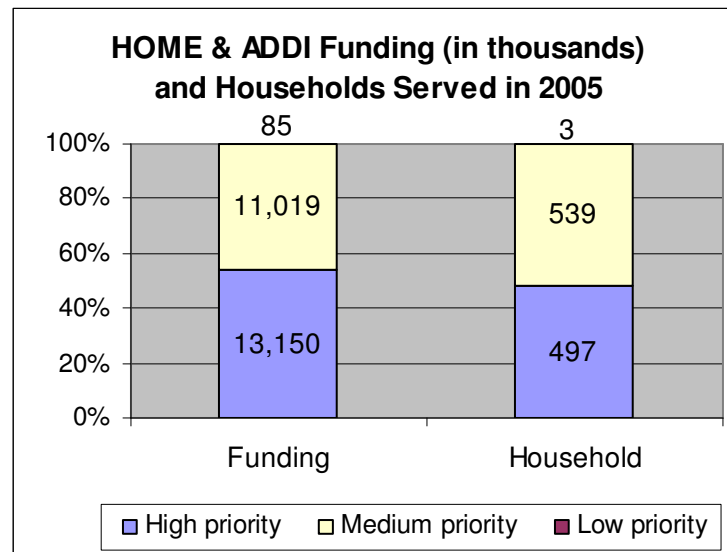
The Scattered Site Housing program was able to target residents throughout the state and remain on target for funding levels. The success of the Scattered Site program is most likely due to grantees fully adjusting to the non-competitive, three-year cycle of the program. The first wave of Scattered Site grants to be awarded under this format was funded in 2001, and the 2005 grantees began their second wave of Scattered Site Housing grants through this distribution method. The success of this program indicates the ability of local governments to plan forward for funding and act accordingly.

Actual accomplishments met goals laid out in the 2005 annual action plan in most categories. However, due to the rising costs of construction, it remains difficult for DCA and its grantees to continue to provide necessary services at past funding levels. The one category that did not perform at expected levels was the Infrastructure Hook-Up category, which provides funds to assist low-to-moderate income homeowners hook-up to existing water and/or sewer lines. Demand for this category was down from previous years, and for that reason both funding and households assisted were below expected levels.

### **North Carolina Housing Finance Agency**

HFA serves individuals and families through the Rental Production and Single Family Rehabilitation programs. The RPP funded 221 apartments available to families earning less than fifty percent, 50%, of median family income. Seventeen percent, 17%, of the thirty-three, 33, households whose dwellings were rehabilitated under the Single Family Rehabilitation program earned less than thirty percent, 30%, of median family income. The thirteen, 13, households in the medium priority needs category earned thirty to fifty percent, 30-50% of the median family income and nine percent, 9%, or three, 3, households earned fifty to eighty percent, 50-80%.

**Chart 1, HOME & ADDI Funding and Households Served in 2005**



The Rental Production Program (RPP) uses HOME to assist both high- and medium-priority households. Of the HOME-funded rental developments placed in service during 2005, 41% of the 221 apartments are affordable to households earning less than 50% of MFI. The remaining units were affordable to households in the medium priority needs category.

The Agency also served households with high priority needs with the HOME-funded Single Family Rehabilitation (SFR) program. Of the 33 households whose homes were rehabilitated under the SFR program, 17 (52%) earned less than 30% of MFI. The 13 households in the medium priority needs category, earning 30%-50% of MFI, comprised 33% of the households served. Three households (9%) earned 50-80% of MFI.

HFA also uses its HOME and ADDI-funded homebuyer assistance programs to serve high priority needs households. Forty-eight percent, 48%, or 746 households served through the homebuyer assistance programs, i.e., Self Help Loan Pool, New Homes Loan Pool, Downpayment Assistance Program, Rural Opportunity Mortgage Program, and IDA Loan Pool Program, earned less than fifty percent, 50%, of MFI and fifty-two percent, 52%, were in the medium priority needs category earning fifty to eighty percent, 50%-80% of MFI. This performance report contains the number of housing units *actually placed in service* during 2005 rather than the number of units planned for projects that received awards.

It is important to point out that Agency is reporting on the number of housing units *actually placed in service* during 2005 for this Annual Performance Report (rather than the number of units that are planned for projects that received awards in 2005).

### **Office of Economic Opportunity**

Approximately 46,000 homeless families and individuals sought assistance from 144 homeless shelter facilities in 53 counties. Ninety-two percent, 92%, of FY 2005 ESG funding was used to

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pay operating expenses, i.e., rent, utilities, supplies/materials, equipment and administrative costs. Six percent, 6%, of the funding was used to provide essential services such as counseling, transportation, health care, housing referral, employment and/or education services. The remaining two percent, 2%, was used to provide homeless prevention services that include short-term subsidies to defray rent and utility arrearages, security deposits or first month's rent payments.

### **AIDS Care Unit**

The HOPWA Program assisted 1,940 persons living with HIV/AIDS and their families through the following programs:

- Tenant-based rental assistance program;
- Short-term rent;
- Mortgage and utility program;
- Adult day care facilities and family care homes.

Approximately sixty-five percent, 65%, of funds are used for short-term rent, mortgage and utility payments provided by twenty sponsors in 92 counties. The statewide HOPWA needs assessment indicates the need to increase permanent supportive housing; consequently, allocations made in FY 2005 will serve persons living with HIV/AIDS and their families at or below thirty percent, 30%, of MFI as well as increase the amount for housing.

## Summary Tables

Table 5, *Summary of Funding Distribution of the Four Core Programs*, depicts how the state met its priorities in comparison with the anticipated funding distribution contained in the **2005 Consolidated Annual Action Plan**. The state spent sixty-two percent, 63%, of its funding on high priority needs; thirty-five percent, 34%, on medium priority needs; and three percent, 3%, on low priority needs.

**Table 5, Summary of Funding Distribution of the Four Core Programs**

	High Priorities		Medium Priorities		Low Priorities	
	Amount	Percent	Amount	Percent	Amount	Percent
Anticipated	\$42,134,000	71%	\$15,966,000	27%	\$1,471,000	2%
Actual	\$32,856,000	63%	\$17,711,000	34%	\$1,474,000	3%

Tables 6 and 7, *Federal Funding through the Core Programs – Housing Acquisition, Rehabilitation, Production and Related Infrastructure*, indicate how the four core programs were used. The tables show the funding amounts (in thousands of dollars) allocated for each priority need category (low, medium, high) and show the number of households and individuals assisted. In reviewing the tables, it is important to recognize that the state considered strategic investment of its limited resources through its programs, as well as the appropriateness of the resources available to address the priority need categories.

CDBG and HOME funds were used primarily to produce or rehabilitate housing, provide homebuyer assistance, and develop infrastructure required for housing development. HOME funds were also used to provide final rent assistance payments to disaster-affected households. ESG funds were used to provide shelter, essential services and homeless prevention activities to homeless individuals and households. HOPWA funds were used to assist households and individuals with housing related services and both short and long-term tenant-based rent assistance.

**Table 6, Federal Funding through the Core Programs – Rent Assistance and Housing-Related Services**

Priority	Agency	Funding Source	Program	Activity	Anticipated Funding in \$000s	Actual Funding in \$000s	Anticipated Households/ Individuals Assisted	Actual Households/ Individuals Assisted
High Priority Needs								
Assist Homeless Families and Individuals	OEO	ESG	ESG	Housing Related Services*	\$2,359	2,494	48,000	49,000
Assist Non Homeless with Special Needs Earning 0-50% Median Family Income	ACU	HOPWA	HOPWA	Rent Assistance**	\$1,135	861	1,419	1,932
Assist Renters Earning 0-30% and 31-50% Median Family Income	DCA	CDBG	Housing Development (IDA)	Downpayment Assistance; Homeownership Education	\$53	6	15	6
	NCHFA	HOME	Disaster Tenant Based Rent Assistance	Rent Assistance	N/A	21	N/A	39
Total High Priority					\$3,547	\$3,417	49,164	50,981
Medium Priority Needs								
Assists Renters Earning 51-80% Median Family Income	DCA	CDBG	Housing Development (IDA)	Downpayment Assistance; Homeownership Education	\$200	12	65	12
Total Med. Priority					\$200	\$12	65	12
TOTAL					\$3,747	\$3,394	49,229	50,989

\*Funds provided operating costs to homeless shelters, services to homeless clients, and homeless prevention activities.

\*\*For HOPWA, “rent assistance” includes short term rent, mortgage, and utility payments (STRMU), as well as tenant-based rent assistance (TBRA).

**Table 7, Federal Funding through the Core Programs – Housing Acquisition, Rehabilitation, Production, and Related Infrastructure**

Priority	Agency	Funding Source	Program	Activity	Anticipated Funding in \$000s	Actual Funding in \$000s	Anticipated Households Assisted	Actual Households Assisted
<b>High Priority Needs</b>								
<i>Assist Homeless Families and Individuals</i>	DCA	CDBG	<i>Housing Development</i>	Related Infrastructure	\$59	\$48	2	4
	NCHFA	HOME	<i>Supportive Housing Development</i>	New Construction, Rehabilitation	\$0	\$658	0	22
<i>Assist Existing Homeowners Earning 0-30% Median Family Income</i>	DCA	CDBG	<i>Concentrated Needs</i>	Rehabilitation	\$2,306	\$3,030	500	138
	DCA	CDBG	<i>Revitalization Strategies</i>	Rehabilitation, Relocation	\$491	\$684	54	35
	DCA	CDBG	<i>Scattered Sites</i>	Rehabilitation	\$5,728	\$9,674	186	413
	DCA	CDBG	<i>Infrastructure</i>	Utility Hook-Up	\$569	\$125	236	122
	NCHFA	HOME	<i>Single Family Rehabilitation Program</i>	Rehabilitation	\$1,354	467	64	17
<i>Assist Non Homeless with Special Needs Earning 0-30% and 31-50% Median Family Income</i>	DCA	CDBG	<i>Concentrated Needs</i>	Rehabilitation	\$172	N/A	37	N/A
	DCA	CDBG	<i>Housing Development</i>	New Construction, Rehabilitation	\$337	N/A	11	N/A
	DCA	CDBG	<i>Revitalization Strategies</i>	Rehabilitation, Relocation	\$36	N/A	4	N/A
	NCHFA	HOME	<i>Rental Production Program</i>	New Construction, Rehabilitation	\$434	\$71	36	4
<i>Assist Renters Earning 0-30% and 31-50% Median Family Income</i>	DCA	CDBG	<i>Concentrated Needs</i>	Rehabilitation	\$964	\$1,489	209	68
	DCA	CDBG	<i>Housing Development</i>	New Construction, Related Infrastructure	\$807	\$924	27	75
	DCA	CDBG	<i>Revitalization Strategies</i>	Rehabilitation, Relocation	\$205	\$336	22	17
	DCA	CDBG	<i>Scattered Sites</i>	Rehabilitation	\$2,394	\$0	78	0
	NCHFA	HOME/ ADDI	<i>Downpayment Assistance Program</i>	Homebuyer Assistance	\$672	\$642	96	97
	NCHFA	HOME	<i>New Homes Loan Pool</i>	Homebuyer Assistance	\$938	952	68	43
	NCHFA	HOME	<i>RD Leveraging Program</i>	Homebuyer Assistance	\$5,000	7,257	100	115
	NCHFA	HOME	<i>Rental Production Program</i>	New Construction, Rehabilitation	\$11,371	\$860	760	60
	NCHFA	HOME	<i>Rental Preservation Loan Program</i>	Rehabilitation	\$3,000	0	100	0
	NCHFA	HOME	<i>Self Help Program</i>	Homebuyer Assistance	\$1,323	2,019	72	87
	NCHFA	HOME	<i>IDA Loan Pool Program</i>	Homebuyer Assistance	\$0	\$203	0	13
<b>Total High Priority</b>					<b>\$38,587</b>	<b>\$29,439</b>	<b>2,676</b>	<b>1,330</b>

**Table 7, Federal Funding through the Core Programs – Housing Acquisition, Rehabilitation, Production, and Related Infrastructure (continued)**

Medium Priority Needs								
Assist Existing Homeowners Earning 31-50% Median Family Income	DCA	CDBG	Concentrated Needs	Rehabilitation	\$960	\$1,255	218	57
	DCA	CDBG	Revitalization Strategies	Rehabilitation, Relocation	\$196	\$283	26	15
	DCA	CDBG	Scattered Sites	Rehabilitation	\$3,323	\$3,847	88	168
	DCA	CDBG	Infrastructure	Utility Hook-Up	\$279	\$61	97	60
	NCHFA	HOME	Single Family Rehabilitation Program	Rehabilitation	\$1,022	\$378	48	13
Assist Non-Homeless with Special Needs Earning 51-80% Median Family Income	DCA	CDBG	Concentrated Needs	Rehabilitation	\$71	N/A	16	N/A
	DCA	CDBG	Housing Development	New Construction, Related Infrastructure	\$165	N/A	11	N/A
	DCA	CDBG	Revitalization Strategies	Rehabilitation, Relocation	\$14	N/A	2	N/A
Assists Renters Earning 51-80% Median Family Income	DCA	CDBG	Housing Development	New Construction, Rehabilitation	\$427	\$479	29	39
	DCA	CDBG	Revitalization Strategies	Rehabilitation	\$82	\$139	11	7
	DCA	CDBG	Concentrated Needs	Rehabilitation	\$401	\$616	91	28
	NCHFA	HOME/ ADDI	Downpayment Assistance Program	Homebuyer Assistance	\$903	\$713	129	113
	NCHFA	HOME	IDA Loan Pool Program	Homebuyer Assistance	\$1,000	429	50	25
	NCHFA	HOME	New Homes Loan Pool	Homebuyer Assistance	\$1,350	3,266	97	155
	NCHFA	HOME	RD Leveraging Program	Homebuyer Assistance	\$5,000	\$2,507	100	35
	NCHFA	HOME	Rental Production Program	New Construction, Rehabilitation	\$59	2,276	4	135
	NCHFA	HOME	Self Help Program	Homebuyer Assistance	\$514	\$1,450	28	63
Total Medium Priority					\$15,766	\$17,699	1,045	913
Low Priority Needs								
Assist Existing Homeowners Earning 51-80% Median Family Income	DCA	CDBG	Concentrated Needs	Rehabilitation	\$860	\$1,128	112	51
	DCA	CDBG	Revitalization Strategies	Rehabilitation, Relocation	\$195	\$255	13	13
	DCA	CDBG	Infrastructure	Utility Hook-Up	\$29	\$6	14	6
	NCHFA	HOME	Single Family Rehabilitation Program	Rehabilitation	\$387	\$85	18	3
Total Low Priority					\$1,471	\$1,474	157	73
TOTAL					\$55,824	\$48,612	3,878	2,316

Notes on the tables "Federal Funding through the Core Programs":

- "Families Displaced by Disaster" (a high and medium priority need in the North Carolina Strategic Consolidated Plan 2001-2005) are helped through all existing programs according to program guidelines and requirements, and are not specifically addressed in the tables.
- DCA does not currently have the ability to track whether or not households consisted of persons with special needs. Therefore, activities in those categories were marked as "N/A", though many of the households that are assisted with CDBG funds would qualify as special needs households. New reporting methods that are being introduced in 2006 in order to meet the Performance Measurement requirements will be able to track this data.
- DCA's Scattered Site Housing program is only eligible to homeowners below 50% of area median income. Anticipation of these funds for renters in previous annual action plans was in error.
- HOPWA data reflects not only long-term tenant-based rental assistance but also short-term (21 weeks or less) rental and mortgage assistance.



## **ACTIONS TAKEN TO MEET HOUSING AND SERVICE RELATED OBJECTIVES IN 2005**

The 2005 North Carolina Consolidated Plan outlined housing and service-related objectives for each of the participating agencies. Following is a list of those objectives for each agency, the actions taken during the 2005 program year, and their status.

### **Division of Community Assistance**

- To target investments toward distressed rural areas and high priority small cities through the Commerce Department's 21st Century Communities Initiative, State Development Zones, Tier 1 & Tier 2 counties, and support the EDA-funded Comprehensive Economic Development Strategies (CEDS).

Status: In 2005, a third round of 21<sup>st</sup> Century Communities was announced. The latest 21<sup>st</sup> Century Communities are Burke, Hyde, Montgomery, and Sampson counties. Special emphasis was continued for round one and two 21<sup>st</sup> Century Communities, for which continuing need was deemed necessary, applying for CDBG program funds. In the Infrastructure category, however, only those communities in the second round of the 21<sup>st</sup> Century Communities program and not funded in the Infrastructure category in 2004 were eligible in 2005.



In support of this initiative, one half of the funds allocated for the Infrastructure Program in 2005 were set-aside for 21<sup>st</sup> Century Communities. In addition, in the Economic Development Category additional per job funding was available for local governments participating the 21st Century Communities program and for projects locating in State Development Zones.

Within the Housing Development category in 2005, preference was given for rental housing developments that were: (1) within local governments from Tier 1 or Tier 2 counties, (2) projects in State Development Zones, which are consistent with local strategies for improving the zone, and (3) local governments in 21<sup>st</sup> Century counties.

The Revitalization Strategies category was continued in 2005. During its fourth year of funding in 2005, the Revitalization Strategies program allowed for a holistic approach to community and economic development by enabling local governments to address multiple needs in high poverty areas. This category provides flexible multi-year funding to help alleviate poverty and carry out a long-term, sustainable revitalization strategy in selected target neighborhoods. Activities such as housing and self-sufficiency counseling, job training, and downpayment assistance helped residents of target areas pull themselves out of poverty. Revitalization Strategies communities are required to be located in a Tier 1 or 2 county or a State Development Zone.

- To support development of soundly designed affordable rental and single-family housing in appropriate settings.  
Status: In 2005, DCA continued to use smart growth guidelines in the Housing Development Category. These guidelines are designed to stimulate high quality, sustainable development in LMI neighborhoods throughout the state. The guidelines incorporate sound development practices while balancing environmental protection with the economic needs of builders and future homeowners. To receive housing development funds subdivisions had to meet the

following minimum requirements: (1) be connected to public water and sewer, (2) be located in or near an existing community, (3) have streets that met NCDOT standards and connected to public streets, (4) all cul-de-sacs had to be less than sixteen lots, (5) have a 30-foot buffer on each side of all perennial streams, and (6) include some open space in the development.

- To emphasize smart growth principles in CDBG program categories. Priority for funding will be given to projects that demonstrate design excellence, infill development, and more intense use of existing buildings in downtowns and nearby older neighborhoods.

Status: The Division continues to support proper new affordable rental and single-family housing through its Housing Development category. In 2005, DCA awarded one new Housing Development grant for \$250,000 to be used as gap financing for rental and single-family homeownership developments. This increase in the stock of sound affordable housing improves the lives of hundreds of LMI residents across the state.

### **North Carolina Housing Finance Agency**

- To operate home ownership programs:
  - Close 2,200 MRB loans and 250 MCC assisted loans
  - Close 140 loans under the New Homes Program, 100 loans under the Self-Help Housing Program, and 12 loans under the IDA partnerships
  - Rehabilitate 115 homes under the Single Family Rehab Program and 700 homes under the Urgent Repair Program

Status: The Agency provided \$2.2 million in financing to assist approximately 785 homeowners through the Urgent Repair Program. The Agency awarded \$6.8 million through the Single Family Rehabilitation Program during the 2005 calendar year and 33 rehabilitations were completed during the year with funding from previous years. The Agency assisted 1,595 households through its MRB program and 86 households through its MCC program in 2005. The Agency financed 198 homes under the New Homes Loan Pool, 150 under the Self-Help Loan Pool, and 38 under the IDA Program.

- To operate rental production programs:
  - Allocate the state's \$15 million federal Housing Credit volume cap
  - Loan \$13 million under the Rental Production Program
  - Continue the refundable state Housing Credit
  - Perform reengineering services for 5 to 10 HUD Section 8 rental projects
  - Finance 10 projects with a total of 120 bedrooms under the Supportive Housing Program

Status: : The Agency awarded tax credits to provide \$132 million in federal tax credit equity and \$29 million in investment from state tax credits, for projects that will assist 2432 households. The Agency awarded \$9.4 million in Rental Production Program loans in 2005, to assist in the production of 661 units. The Agency awarded \$3.0 million to nonprofit service providers through the Supportive Housing Development Program to create 166 units of housing for individuals with special needs.

### **Office of Economic Opportunity**

- To ensure the provision of emergency and/or transitional housing, essential services, and/or homeless prevention services to approximately 30,000 homeless individuals and 6,000 homeless families. It is anticipated that over 100 nonprofit organizations and three units of local government operating over 130 emergency and/or transitional facilities in 50 to 55 of the state's 100 counties will be funded in FY 2005.

Status: FY 2005 State ESG funding was distributed to 114 non-profit organizations and three units of local government in 53 counties. These facilities provided shelter and/or services to approximately 30,321 homeless single individuals and 14,403 members of homeless families.

- To successfully coordinate the 2005 North Carolina Conference on Homelessness, which will provide opportunities for homeless service providers to receive training and technical assistance.

Status: Over 500 persons attended the 2005 North Carolina Conference on Homelessness held November 29 – 30 1, 2005 in Raleigh, North Carolina. Conference participants represented nonprofit homeless service providers, units of local government, state and federal agencies, the homeless/formerly homeless, and the general public. Twenty-five workshops were held during the conference on topics such as rural homelessness, supportive housing, education of homeless children and youth, outreach strategies, accessing the mental health system, HMIS implementation, effective case management and employment opportunities for homeless individuals. Formerly homeless individuals who had successfully transitioned from homelessness to stability and self-sufficiency served as the conference's keynote speakers.

- To continue its involvement with the North Carolina Interagency Council for Coordinating Homeless Programs (ICCHP).

Status: In 2005 OEO continued its participation in activities of the ICCHP by serving as a Council member and coordinating the Council's annual conference on homelessness.

- To work with the ICCHP to implement strategies and policies outlined in the state's ten-year plan to end homelessness in North Carolina.

Status: As a member agency of the ICCHP, OEO provided input into the the implementation of strategies and policies developed by the Council.

#### **AIDS Care Unit**

- To provide additional resources and research on funding opportunities for project sponsors through regularly scheduled HOPWA planning meetings.

Status: Consolidated Plan Partners participated at an ACU provider meeting to discuss their programs, opportunities and/or ways of leveraging HOPWA funds with HOME or CDBG funds.

- To review internal processes for making funding decisions and planning new initiatives.

Status: This activity is ongoing. Since completion of the HOPWA needs assessment in December 2004, the ACU will look at planning and funding new initiatives.

- To hold training workshops on current trends in HIV housing.

Status: No trainings were held in FY 2005. However, the ACU will work on setting up a training workshop for FY 2006-2007.

## **ACTIONS TAKEN TO AFFIRMATIVELY FURTHER FAIR HOUSING**

*“Each of the four state agencies will undertake additional actions to further the housing and support services goals of their organizations in the areas of Fair Housing/Equal Opportunity Initiatives, Anti-Poverty Strategy, Capacity Building and Technical Assistance, Coordination and Collaboration, Housing Delivery Systems, Institutional Structure, Legislative and Public Policy Initiatives, and Lead-Based Paint Hazard Reduction.”* Excerpted from the **2005 North Carolina Consolidated Annual Action Plan**, November 15, 2004.

### **Fair Housing Activities**

The Division of Community Assistance contracted with the North Carolina Fair Housing Center to analyze impediments to fair housing choice as part of the 2001-2005 consolidated plan. The four partnering agencies agree to promote fair housing, housing choice and equal opportunities through the programs they administer.

#### **Division of Community Assistance**

- The Division will continue to implement various strategies, chief of which is to increase local activities that identify and reduce barriers to fair and affordable housing in all localities receiving Community Development Block Grant Program funding.  
Status: DCA continues to monitor grantees on compliance with fair housing laws and updated its *Analysis of Impediments to Fair Housing* for 2006-2010.

#### **North Carolina Housing Finance Agency**

- The Agency will continue to (1) distribute its Elderly Housing Rights and Consumer Protection Program information brochures, (2) provide Fair Housing training in conjunction with its Housing Credit Program Compliance and Service Coordinator workshops. This year the Agency plans to translate portions of its web page into Spanish.  
Status: HFA distributed brochures to local consumer credit counseling services, area agencies on aging, and other counseling agencies. The agency continues to provide fair housing training as part of its compliance and asset management workshop; and published Spanish translations of its mortgage revenue bond and MCC programs.
- All developers of affordable rental housing financed by the Agency are required to develop and implement Affirmative Fair Housing Marketing Plans, which are reviewed by the Agency for effectiveness and proper implementation. Projects receiving HOME loans must certify that they have developed and adopted affirmative marketing procedures for HOME-assisted housing containing five or more units.  
Status: HFA regularly monitors rental properties it has financed to ensure compliance with this requirement.
- The Agency will update the Reasonable Accommodation Guide used by rental developers.  
Status: HFA published and distributed 2,500 copies of an updated guide to rental property developers, property managers, supportive service agencies, and advocates.



- The Agency will solicit voluntary agreements with two more lenders in 2005 to work together with the Agency in ensuring that every first-time home buyer in North Carolina is informed about the Agency's loan programs during the loan application process.

Status: HFA did not fulfill this objective and does not plan to pursue it further.

- The Agency will process preliminary eligibility analysis process to reach 250 prospective homebuyers in unserved areas of the state. Renters will complete a worksheet and the Agency will assess the renters' eligibility for a mortgage and make a referral to a lender.

Status: 758 prospective homebuyers were screened in 81 counties.

- The Agency will work more closely with partners to educate homebuyers, increase the supply of affordable housing, provide assistance with down payment and closing costs and offer financial options to support HUD's "Blueprint for the American Dream".

Status: The agency hired a business development consultant to coordinate more homebuyer, lender and realtor educational seminars throughout the state and lowered its private mortgage insurance coverage for conventional loans saving homebuyers up to \$40 per month on a \$100,000 mortgage.

HFA participated in four television broadcasts of OPENnet, a live program with a call-in format, to educate prospective homebuyers; and introduced the **500 Project** to promote awareness among state and local government employees on the benefits of home ownership.

The NC Association of Realtors created **Homes4NC** in 2004 to promote safe, decent and affordable housing and HFA's executive director serves on the board.

- The Agency, in partnership with USDA-Rural Development, will offer 200 leveraged loans to serve low-income households in rural North Carolina.

Status: 167 loans, totaling \$8,116,795, were closed in 46 counties.

- Additionally, all developments funded by the Agency's programs must comply with Fair Housing requirements in serving their target populations.

Status: HFA performs plan reviews prior to construction and conducts on-site follow-ups at framing and project closeout. The agency includes training on fair housing compliance in its Tax Credit workshops; and, fair housing issues were highlighted at the annual housing forum. As of 2005, the Qualified Allocation Plan requires developers, in partnership with the Department of Health and Human Services, to make units available to homeless individuals and families and persons with disabilities.

#### **AIDS Care Unit**

- The Unit will continue to expand the Tenant Based Rental Assistance program, which is designed to increase housing choice for low-income persons with AIDS and their families.

Status: ACU currently funds four agencies that exclusively provide tenant-based rental assistance. Additionally, they contract with four consortia that primarily administer short-term rent, mortgage and utility assistance to public housing authorities.

## **OTHER ACTIONS INDICATED IN THE 2005 ACTION PLAN**

Each of the four state agencies undertook additional actions to further the housing and support services goals of their organizations in the following areas:

- Anti-Poverty Strategies;
- Capacity Building and Technical Assistance;
- Coordination and Collaboration;
- Housing Delivery Systems;
- Institutional Structure;
- Legislative and Public Policy Initiatives; and,
- Lead-Based Paint Hazard Reduction.

Following are the agencies' *2005 Annual Action Plan* objectives and status summaries.

### **Support of Anti-Poverty Strategies**

#### **Division of Community Assistance**

- DCA has set aside Small Cities Community Development Block Grant Funds for use in establishing or supporting Individual Development Account (IDA) programs in the state. IDAs are dedicated savings accounts that can only be used for purchasing a first home, education or job training expenses, or capitalizing a small business. In DCA's program, funding is exclusively for home ownership. Only residents that are members of households below 80 percent of MHI are eligible to participate. In partnership with local governments, IDAs are managed by community organizations and accounts are held at local financial institutions. Participants are introduced into the mainstream financial system, provided credit counseling and homebuyer and financial literacy, and receive match money for down payment assistance upon successful completion of the program.



Status: DCA allocated funding from its housing development category for twelve IDA programs.

- Continuing decline and disinvestment in many neighborhoods that spills over into surrounding areas point to a need for different approaches to rebuilding communities. Many communities riddled with poverty require a comprehensive approach to address their needs, one that allows for flexible funding and activities that cut across traditional DCA programs. Entering its fourth year of funding in 2005, the Revitalization Strategies program allows for a holistic approach to community and economic development enabling local governments to address multiple needs in high poverty areas. This category provides flexible multi-year funding to help alleviate poverty and carry out a long-term, sustainable revitalization strategy in selected target neighborhoods. The first round of communities that were awarded grants in 2001, and are scheduled to receive funds for their fourth year of activities in 2005, are Brevard, Caldwell County, Elizabeth City, Hamlet, Hyde County, Madison County, Roanoke Rapids, Sanford, Whiteville, and Wilson.
- Status: The Revitalization Strategies category includes housing and self-sufficiency counseling, job training, and down payment assistance. Eligible communities must be located in a Tier 1 or Tier 2 County or a State Development Zone.

### **North Carolina Housing Finance Agency**

- The Agency will continue to finance supportive rental housing through the federal and state Housing Tax Credit Program and through the Rental Production Program.  
Status: HFA provided funding for supportive housing using federal and state housing tax credit programs and the Rental Production Program.
- The Agency will broaden its IDA home ownership initiative to include providing matching funds and second mortgages to IDA participants who will be purchasing homes. The program used to serve households at 200% of poverty and below who were in NC Department of Labor's IDA program under the federal Assets for Independence Act (AFIA); it will now serve households participating in any home ownership IDA program in North Carolina.  
Status: HFA provided \$912,000 in matching funds and loans to 59 households; 38 of these households also received \$632,000 in HOME-funded second mortgages.
- The Agency will continue funding developments that are connected to public housing authorities' Family Self-Sufficiency Programs through both rental and homeownership programs.  
Status: Three members of the New Homes Loan Pool have submitted proposals for HOPE VI-funded projects. One housing authority with a Family Self Sufficiency program has applied for loan pool membership. The Qualified Allocation Plan has a HOPE VI set-aside.
- The Agency will continue funding transitional and permanent housing for the homeless and non-homeless persons with special needs through the Supportive Housing Development Program.  
Status: HFA provided transitional and permanent housing for these populations; and they offered cash match incentive for new HUD-funded Supportive Housing Program developments. This resulted in 270 new units/beds placed into service - a substantial increase over 2004.
- The Agency will provide funds to support a homeless policy specialist in the Office of the Secretary of Health and Human Services who will work with the Interagency Council for the Coordination of Homeless Programs.  
Status: The agency provided \$15,000 to partially fund this position. Duties and responsibilities include, development of the state plan to address homelessness; provide assistance to local governments in the implementation of new HUD mandates for tracking and serving homeless individuals and families; and develop new discharge policies for public institutions that include corrections facilities and psychiatric hospitals.
- The Agency will continue to operate its Home Saver Loan Program that incorporates a Job Loss Feature to help borrowers who have become involuntarily unemployed to maintain their home.  
Status: 98 Home Saver loans were made in 27 counties.
- The Agency will be administering the North Carolina Home Protection Pilot Program and loan fund, recently funded by a \$1.68 million special allocation from the General Assembly. This program will create a loan pool to help prevent foreclosures due to job loss and changing economic conditions in targeted counties. It will also strengthen the housing counseling network.  
Status: The general assembly provided an additional \$700,000 to expand the foreclosure prevention pilot program created to assist dislocated workers in 27 counties. These counties were selected because of high rates of unemployment. More than 100 families benefited from the legal protections provided by the program's temporary stay of foreclosure; approximately 150 families received foreclosure intervention services provided by housing counseling organizations. HFA approved 105 loans and provided \$820,503 in loan assistance. Currently there are 55 loans in



some stage of processing and the agency is working with 14 housing counseling partners to do outreach to laid-off homeowners.

### **Capacity Building and Technical Assistance Activities**

#### **Division of Community Assistance**

- The Division will continue to implement the Capacity Building (CB) program for nonprofit organizations. Grants of up to \$75,000 will be available to each organization. Nonprofit organizations that receive capacity building funds are expected to develop projects and apply for CDBG funding in partnership with their local governments within two years of award.



Status: Three Capacity Building grants were awarded in 2005.

- Technical Assistance funds for 2005 will concentrate on developing the professional skills and capabilities of local community development grant administrators. DCA and the School of Government at the University of North Carolina at Chapel Hill are assessing the current demand for a professional certification program for administrators of CDBG grants. This program will lead to a certificate of completion that assures local governments that the people they engage to administer community development grants meet and maintain high professional standards of knowledge, ethics, and competence.

Status: The Community Development Academy, an intensive training that provides technical assistance to local administrators and non-profit agencies was held for forty local administrators during the winter of 2005. The academy is a partnership between DCA and the University of North Carolina at Chapel Hill.

#### **North Carolina Housing Finance Agency**

- The Agency's Home Ownership Business Group will continue working with the Real Estate Commission to provide continuing education classes for real estate professionals.

Status: The agency, in conjunction with Fannie Mae, developed a course entitled, *Borrow with Confidence*, a continuing education class for realtors.

- The Agency will continue to provide monthly lender training sessions throughout the state to educate mortgage professionals about the Agency's 100%, below-market-rate loans, with and without downpayment assistance.

Status: Staff participated in ten statewide lender-training sessions and provided individual sessions when requested.

- The Agency's Rental Investment Business Group has statewide responsibility for Contract Administration of the U.S. Department of Housing and Urban Development's Section 8 Project-based Rental Assistance Program, which includes over 600 rental developments with over 21,000 housing units in North Carolina. The Agency has partnered with Quadel Consulting Corporation to manage the contract administration duties. Rental development owners will receive ongoing technical assistance on the U.S. Department of Housing and Urban Development Section 8 regulations.

Status: The agency supported over 20,000 units in 546 properties and received excellent results from its most recent HUD monitoring visit.

- The Agency's Strategic Investment Business Group will continue to collaborate with the Advanced Energy Corporation (AEC) to train contractors and developers (both nonprofit and for-profit) in techniques of building high performance houses. This training focuses on the interrelationships between house systems and the effective use of pressure diagnostics (blower doors, duct blasters, manometers, etc.). Trainees have produced 100 units under the Agency's New Homes and Self-Help loan pools. The Agency anticipates producing 200 more in 2005, all of them sold with 2-year guarantees of comfort and very low heating and cooling costs.  
Status: HFA's Strategic Investment Group collaborated with the Advanced Energy Corporation to provide training for Habitat for Humanity groups and other organizations. One-day training sessions were held every six weeks and resulted in the construction and sale of 169 homes guaranteed to meet advanced energy and comfort standards.
- The Agency will continue to administer its fair housing and service coordinator trainings in conjunction with its rental investment programs. Designed for service coordinators, housing managers, supportive service providers and others who work with the elderly or special needs residents, these workshops have covered topics that include aging, the basics of service coordination, legal issues and housing, and planning community wellness programs.  
Status: The agency held two training sessions.
- The Agency will continue to hold a rental development roundtable discussion each summer.  
Status: The agency held roundtable discussions in Charlotte and Raleigh.
- The Agency will offer six trainings for tax-credit developers, and three trainings for developers using the Rental Production Program.  
Status: The agency held these trainings.
- The Agency will continue to conduct a Housing Developers' Workshop Forum at the Agency's annual Housing Forum. It will also offer sessions on several of its other programs, providing insight, instruction, and technical assistance to the attendees participating in those programs.  
Status: HFA conducted this workshop at its annual housing forum.
- The Agency will be administering the North Carolina Home Protection Pilot Program and Loan Fund, in which \$1.68 million in a special appropriation by the General Assembly will be used to strengthen housing counseling in selected counties, in addition to providing for households to prevent foreclosure due to job loss.  
Status: During 2005, the Agency continued to implement the North Carolina Home Protection Pilot Program and Loan Fund, which included providing technical assistance and support to housing counseling organizations providing ancillary housing counseling services as part of the pilot program. The Agency received an additional \$700,000 in funding for the program and the number of target counties increased from 8 to 27. Instrumental to the program's success and integral to the program's expansion are the housing counseling and foreclosure prevention services provided by local non-profit organizations. Because the pilot program's county expansion required experienced housing counseling organizations to expand their service delivery areas to include new counties, the Agency needed to meet various technical assistance needs. As a result, the Agency not only conducted technical trainings focusing on program implementation and administration, but also coordinated several local and regional meetings in targeted counties introducing housing counseling organizations to the network of agencies (workforce development, employment security, training and educational) providing services to dislocated

workers to develop a plan of action for marketing the pilot program and conducting outreach to dislocated workers.

### **Office of Economic Opportunity**

- The Office will continue to provide staff to coordinate the annual conference on homelessness sponsored by the Interagency Council for Coordinating Homeless Programs (ICCHP). This conference provides training and technical assistance to approximately 400 representatives of homeless service providers across the state each year.

Status: In 2005 the Office's Homeless Programs Coordinator again served as coordinator of the annual NC Conference on Homelessness. The 2005 conference was held November 29 - 30, 2004 in Raleigh, North Carolina and was attended by over 500 persons from across the state representing homeless service providers, local, state and federal government officials, national advocacy organizations, faith-based organizations, churches, the homeless and formerly homeless and the general public.

- The Office will provide training to all new, approved applicants for Emergency Shelter Grants (ESG) Program funding in the spring of 2005.

Status: OEO staff conducted a training session for 40 grantees on April 20, 2005 in Raleigh. Topics covered included proper completion of the ESG application; and, program monitoring and reporting requirements. Staff of the NC Housing Finance Agency provided the participants with information regarding the Supportive Housing Development Program; and, staff from the Office of the Controller, Department of Health and Human Services, discussed audit requirements and provided training on completion of monthly ESG reimbursement requests.

- The Office will continue to promote the coordination of housing repairs through local available resources for families receiving services under the North Carolina Weatherization Assistance Program and the Heating Air Repair and Replacement Program.

Status: Energy reduction services provided by the Weatherization Assistance and Heating and Air Repair and Replacement Programs were coordinated in conjunction with housing improvement funded by local Community Development Block Grant, HOME and Urgent Repair projects.

- The Office will continue to support housing coordination activities of the Community Services Block Grant program recipients that serve as local Comprehensive Housing Development Organizations.

Status: OEO funds were used by CHDOs to assist in the provision of case management and support services to families receiving housing services.

### **AIDS Care Unit**

- The Unit will provide technical assistance workshops, planning meetings, and one-on-one technical assistance to assist organizations with resource development, with compliance, and in other program areas.

Status: ACU continues to provide technical assistance to agencies on an as-needed basis.

- The Unit will use and implement tools—such as program questionnaires for documenting information on statistics—to assist with improving communication with project sponsors, in order to clarify reporting expectations.

Status: Program questionnaires were developed based on data required by the Department of Housing and Urban Development.

- The Unit will continue to utilize technical assistance from the Supportive Housing Collaborative to strengthen administration of North Carolinas HOPWA program.  
Status: We did not receive any technical assistance from the Supportive Housing Collaborative; however, our HUD Project Officer provided ongoing technical assistance.

### **Interagency Coordination and Collaboration**

#### **Division of Community Assistance**

- The Division will continue to work with other governmental and non-governmental groups such as the North Carolina Department of Labor, the North Carolina Housing Finance Agency, and the North Carolina IDA and Asset Building Collaborative to support and fund IDA and other savings programs in the state.  
Status: DCA continued strengthening interagency ties with various IDA programs. DCA staff served on a committee of state agencies and non-profits to create a best practices manual for IDA providers; and a staff member serves on the North Carolina IDA and Asset Building Collaborative Advisory Board.
- The Division will continue to engage other state agencies and federal allies in funding priority projects in 21st Century Communities. The counties of Caswell, Hertford/Northampton (joint designation), Hoke, Mitchell, and Washington were selected to be the second round of 21<sup>st</sup> Century Communities in 2004, and will hold that designation in 2005. Strategic plans and funding priorities will be established for these communities. The third round of 21<sup>st</sup> Century selections will be made in 2005.  
Status: DCA continues to urge other state agencies and federal allies to fund priority projects located in 21<sup>st</sup> Century Communities. Burke, Hyde, Montgomery, and Sampson counties were selected for the third round.
- If needed, the Division is prepared to react to severe economic crises such as plant closures and mass layoffs by coordinating economic recovery plans and implementing recovery activities.  
Status: DCA is prepared to provide local communities with economic recovery plans in the event of large plant closings and massive layoffs.
- DCA is working with the North Carolina Rural Economic Development Center on a demonstration program to help communities foster entrepreneurial development as a means of addressing economic growth and expansion. Ten communities were selected in this pilot program, three of which are regional in scale (Northeast North Carolina, Kerr-Tar, and Southwestern North Carolina) and seven others are local in nature (Burke County, Carteret County, Columbus County, Elkin, Watauga County, Williamston, and Yancey County). These grantees received initial funding in 2004, and will continue their activities in 2005.  
Status: Nine of the ten communities received CDBG funds and grants administered by DCA. Eight completed activities in 2005; all eight of them met job creation goals. Many of the pilot programs have expanded and found more permanent local funding for entrepreneurial development. There are no plans to continue this program using CDBG funds.
- The Division will continue to serve on statewide housing policy boards such as the Housing Coordination and Policy Council.  
Status: DCA continues to serve on various housing boards.

### **North Carolina Housing Finance Agency**

- The Agency will partner with Advanced Energy Corporation (AEC) of Raleigh, North Carolina, to train and assist local partners under two home ownership programs. AEC's services will include providing low-income homebuyers with two-year guarantees that their heating and cooling costs will not exceed a very low set level (as low as \$18/month). This broadens the windows of affordability and enhances marketing effectiveness.

Status: The Agency continued offering its energy guarantee program in 2005. In calendar year 2005, 169 units were certified and guaranteed.

- The Agency will continue as a member of the Interagency Coordinating Council for Homeless Programs (ICCHP).

Status: HFA is an active member of the ICCHP.

- The State will continue its collaborative relationship with the Department of Labor by providing matching funds and second mortgages for participants in the Department of Labor's IDA program. It will also broaden its support of IDA programs by developing partnerships statewide with other IDA programs.

Status: HFA invested \$632,000 in HOME funding for 38 homes through this program.

- The Agency will continue to operate the Lead Abatement Partnership Program, responding to actual cases of lead-poisoned low-income children in owner-occupant situations. As cases are referred by the Department of Environment and Natural Resources, the Agency will locate and contract with local rehabilitation organizations to oversee lead abatement and comprehensive housing rehabilitation.

Status: HFA continues to operate these programs.

- The Agency will continue to implement the Displacement Prevention Partnership fund which allows the Independent Living Program and the Lead Hazard Control Branch to assist households facing displacement due to mobility limitations and elevated blood lead levels in children, respectively.

Status: The name was changed to the Displacement Prevention Partnership. 305 reservations were approved and 220 units for very low-income households completed including 95 in 2005.

- The Agency's executive director, A. Robert Kucab, is a board member for Homes4NC, a new foundation created by the NC Realtors Association to support affordable housing initiatives.

Status: Homes4NC has a goal of creating a trust fund for affordable housing using interest on realtor escrow accounts. Homes4NC distributed other pledged funds through a competitive grant program to various nonprofits and held a recognition and awards luncheon.

### **Office of Economic Opportunity**

- The Office will continue as an active member of the Housing Coordination and Policy Council.

Status: OEO is an active member of the Housing Coordination and Policy Council.

- The Office will coordinate with the N.C. Housing Finance Agency to continue to promote the use of Urgent Repair program funds with weatherization services being performed through the N.C. Weatherization Assistance Program.



Status: Weatherization Assistance Program contractors combined OEO funds with Urgent Repair Program funds when possible to increase the benefits of both programs.

- The Office will actively promote the coordination of local anti-poverty efforts of community action agencies with local, state, and national housing programs.

Status: Community action agencies were encouraged to continue identifying opportunities for collaboration with local, state and national housing programs, i.e., HOME, CDBG, public housing, rural development and Section 8, etc.

#### **AIDS Care Unit**

- The Unit will continue as an active participant on the Housing Coordination and Policy Council as well as the Inter-agency Council on Coordinating Homeless Programs.

Status: ACU staff continued participating on the Housing Coordination and Policy Council and attended quarterly meetings of the Inter-agency Council on Coordinating Homeless Programs.

- The Unit will seek out opportunities to work with nonprofit organizations to provide services for those who are triply diagnosed (HIV/AIDS, mental illness and substance abuse issues).

Status: ACU is in the early planning stages of implementing this objective using results from the HOPWA needs assessment.

- The Unit will continue to collaborate with the other NC entitlement cities to ensure consistency among administration of the HOPWA Program.

Status: ACU is collaborating with Wake County.

#### **Addressing Weaknesses in the Housing Delivery System**

The Housing Action Plan of the *North Carolina Consolidated Plan, 2001 Annual Action Plan* quantified the number of households for whom the state expected to provide various forms of housing assistance. During the past five years, the participating agencies have used human, financial and programmatic resources to increase available affordable housing stock for rent or purchase; fund community and economic development projects that created jobs and stimulated revitalization; as well as opportunities for business ownership; provide shelters and transitional housing; provide related services to homeless families and individuals, persons with HIV/AIDS and their families and other special needs populations.

Although every effort is made to improve the collective quality of life for the state's most vulnerable populations, budget constraints sometimes limit the scope and extent of existing programs and hinder development and implementation of new ones. Each of the participating agencies has highlighted their individual efforts to address weaknesses in the housing delivery system.

#### **Division of Community Assistance**

- Among its strengths, the Division credits its highly motivated professional staff. Additionally, it mentions the redesigned and new programs, which offer more local communities opportunities to participate. The Division currently operates a Capacity Building program that tries to increase nonprofit participation in the CDBG Program/Process. The Division also considers its sponsorship of Housing Development training for nonprofits as a strength because it helps to increase their ability to develop better housing projects. Nevertheless, the current state budget conditions limit state support for the agency's administrative budget; this presents a weakness in the Division's ability to provide housing services. The Division continues to see training and professional development for staff as an opportunity to improve the delivery of services in 2005.

Status: Several DCA staff have completed the state's Certified Public Manager, CPM, program. *"The purpose of the PMP is to provide an in-depth, comprehensive training program for middle managers from state government agencies and university campuses. A graduate of the PMP is designated a Certified Public Manager..."* (Excerpted from [www.osp.state.nc.us/trancata/pmp.htm](http://www.osp.state.nc.us/trancata/pmp.htm) [<http://www.osp.state.nc.us/trancata/pmp.htm>](http://www.osp.state.nc.us/trancata/pmp.htm)) There are currently two DCA staff enrolled in the program and two are completing pre-requisites.

DCA, in conjunction with the Institute of Government, IOC, University of North Carolina, Chapel Hill, sponsored the third annual Community Development Academy. Two sessions were held, February 14-16 and March 16-18, 2005 at the IOC and were facilitated by Anita R. Graham-Brown, Professor of Public Law and Government. 34 participants completed the program including sixteen from local government: 9 from the Small Cities program and 7 from entitlement jurisdictions; ten from the nonprofit sector and 4 from consulting firms.

The academy is an intensive 2-1/2 day overview of the concept and application of community development practices and the community development block grant program. The academy offers hands on experience in and exposure to tools, policies and programs designed to strengthen communities.

DCA also participated in a training session sponsored by the Council of State Community Development Agencies, COSCDA.

#### **North Carolina Housing Finance Agency**

- The Agency has private activity volume cap sufficient to meet its 2005 homeownership goals. It offers a variety of loan products (conventional, FHA, USDA, and VA) and has 90 and 150 day interest rate guarantees. The Agency is currently serving only approximately 70% of the state's counties with its mortgage products, but intends to expand coverage by expanding third party originations and continuing to offer lender incentives to increase loan production in unserved areas of the state. The Agency will also increase income and sales price limits and downpayment assistance.

Status: The Rural Opportunity Mortgage Program helped the HFA provide first-time home mortgages in approximately eighty-six percent, 86%, of North Carolina's 100 counties.

- The Agency will continue to provide application workshops and housing development workshops for organizations interested in developing supportive housing for individuals with special needs.

Status: HFA sponsored 6 application and housing development workshops; and staff conducted more than 40 site and technical assistance visits to potential applicants.

- One of the current weaknesses in the housing delivery system is an overtaxed housing counseling delivery system. Another is the lack of financial assistance for households who unexpectedly find themselves at risk of foreclosure. At the request of the General Assembly, the Agency is administering the Home Protection Pilot Program. This program will provide loans to assist homeowners in target regions who are at risk of foreclosure, and will strengthen the housing counseling delivery system in those areas.

Status: Expansion of the Home Protection Pilot Program impacted existing housing counseling services. Their expertise was needed in previously unserved areas; and, as a result, HFA provided technical assistance and conducted workshops focused on program implementation and administration. HFA also facilitated introductions between current housing counseling professionals and networks of agencies in these same previously unserved regions. These



introductions included workforce development, employment security, education and training services.

### **Office of Economic Opportunity**

- The current reality facing a homeless individual or family in North Carolina is a fragmented system of various agencies and funding streams, each with their own points of access, eligibility and available resources. This fragmentation hampers the efforts of government and nonprofit agencies to improve homeless access to housing and mainstream health and human services. Following the state's participation in federal Homeless Policy Academies in 2003 and 2004, the NC Interagency Council for Coordinating Homeless Programs (ICCHP) formulated a state plan to end homelessness. This state-level action plan to end homelessness is seen as one way to ensure that homeless people have a more efficient and coordinated system to assist and support them in their efforts to transition from homelessness to stability.

Status: OEO funds granted to ICCHP were used to provide technical assistance to existing continuums of care and to those wishing to establish a continuum of care.

- Nonprofit agencies and local governments providing shelter and services to homeless people in the state have found it increasingly difficult to secure the funding needed to produce affordable housing for extremely low-income citizens; maintain existing homeless shelters; and to improve or, in some cases, establish homeless access to needed services. In the last two years, nonprofit organizations operating shelters and providing services for homeless persons have seen dramatic drops in donations from individuals, charitable organizations and local governments. At the same time, they have reported significant increases in the number of homeless individuals and families seeking shelter and services. The only program administered by the State specific to homeless persons (and the only one funding supportive services and operating costs for homeless shelters) is the federally-funded Emergency Shelter Grants (ESG) Program, administered by the Office of Economic Opportunity.

Status: The Emergency Shelter Grants Program is the only program specifically for homeless persons and OEO notes an increase in the number of applicants. Grantees continue to report declining revenues and increased demand for their services.

- In 2004 following the ICCHP's participation in the second federal Homeless Policy Academy, the Council continued refining the state's draft Ten-Year Plan to End Homelessness. As part of that planning process, the Council has facilitated a Discharge Planning Work Group that has developed a preliminary report of recommendations about how North Carolina can reduce the number of persons who are discharged into homelessness from state, or statewide, publicly funded systems. In 2005 the Council will complete preliminary recommendations on how to increase access for homeless persons to employment and training programs.

Status: The ICCHP continues to move forward on activities associated with discharge planning, employment and training for homeless individuals.

- In 2004 the ICCHP began facilitating a collaborative with a membership of homeless service communities' compliance with HUD mandates relating to Homeless Management Information Systems (HMIS). The HMIS system will begin active implementation by February 2005, increasing our state's chances of accessing available federal dollars for housing and services for homeless person.

Status: ICCHP continues to move forward with the HMIS Initiative despite the necessity of identifying a new software vendor to serve the remainder of the state.

- In 2004 the Council provided intensive technical assistance to 12 counties that had never applied for Continuum of Care federal dollars targeting the homeless population. During the next year the Council will extend that assistance, with an ultimate goal of accessing roughly \$9 million dollars in communities that had previously not applied for those available annual funds.

Status: North Carolina received a 13.1 million competitive grant from HUD for the continuum of care. These funds are used to support homeless housing and services needs.

### **AIDS Care Unit**

- The Unit considers the experience of the HOPWA grantees to be a strength. However, the 3% cap on administrative costs covered by HOPWA is unworkable and too low, making it difficult for project sponsors to function without proper reimbursement for fulfilling increased administrative responsibilities and attending much needed training. Underpaying administrative costs could eventually prevent organizations from applying for future funding. As a way to overcome weaknesses in its housing delivery system the Unit's review of internal processes recommended advocating for an increase to the 3% administrative cap in 2005, as opportunities become available.

Status: Currently HUD HOPWA regulations have a seven percent, 7%, administrative cap; and the branch received permission to allow an eight percent, 8%, cap for specific sponsors.

### **Changes in Institutional Structure**

#### **North Carolina Housing Finance Agency**

- HFA created the Business Development Leader position to do marketing and outreach to underserved and minority communities.
- HFA also created a business group in 2004 to integrate housing policy, business planning, and systems technology into internal decision-making processes. Policy, Planning and Technology, PPT, is now fully functional.

### **Legislative Initiatives**

#### **Division of Community Assistance**

- The Department of Commerce will advocate for stronger tools to attract investment, jobs and economic vitality to urban core areas. To this end, DCA is working with the state Economic Development Committee to define and help locate potential development hubs throughout the state and produce new strategies that will create regional economic influence radiating from the newly created hubs.

Status: DCA created economic incentives packages increasing the amount of private investment and jobs in metropolitan areas.

- The Division of Community Assistance will work to expand the Main Street program.  
Status: The Main Street program did not add any new communities in 2005; however, the Office of Urban Development secured permanent funding for its coordinator position. Additionally, the small towns program, which provides guidance to communities with populations of less than 10,000 that are not ready for the Main Street program has expanded from the initial four communities in eastern North Carolina, Chadbourn, Mount Olive, Weldon, and Williamston, to include three more communities, Spring Hope, Walnut Cove, and Zebulon.

### **North Carolina Housing Finance Agency**

- The Agency plans to work towards the passage of legislation by the United States Congress, which will improve the method of setting sales price limits for the Mortgage Revenue Bond (MRB) and Mortgage Credit Certificate (MCC) programs, revise the method of setting rents on Housing Credit properties in rural areas, and change the handling of MRB prepayments to gain more use from the state's Private Activity Bond volume cap.  
Status: These lobbying efforts will continue.
- The Agency plans to work to improve the recurring \$4.75 million appropriations to the Housing Trust Fund and federal HOME Program match.  
Status: HFA supported the Housing North Carolina campaign and the 2005 appropriation to the Housing Trust Fund increased.
- One of the Agency's legislative initiatives is to develop and administer the Home Protection Pilot Program. This program, funded by \$1.68million from the General Assembly, will strengthen housing counseling in selected counties and create a loan pool to help prevent foreclosures due to job loss.  
Status: HFA, in partnership with the North Carolina Justice Center and the North Carolina Housing Coalition, continued to implement and administer the Home Protection Pilot Program and Loan Fund. Revised legislation governing the program included an expansion 8 to 19 counties for a total of 27.
- The executive director of the Agency, A. Robert Kucab, co-chairs a national working group within the National Council of State Housing Agencies that is in the process of defining a set of legislative and regulatory improvements for the Housing Credit and Housing Bond programs.  
Status: The NCSHA national working group met several times to create a set of legislative and regulatory improvements for the Housing Credit and Housing Bond programs. The NCSHA board of directors adopted the working group's recommendations.

### **Efforts to Reduce Lead-Based Paint Hazards**

#### **Division of Community Assistance**

- DCA will continue to encourage local units of government to be involved with lead-based paint removal programs. Furthermore, DCA will encourage local governments to work with agencies that are established primarily to mitigate lead-based paint conditions and provide for its removal, as well as address other environmental concerns.  
Status: The division held three workshops for contractors and rehabilitation specialists. One session focused on how to should integrate the lead based paint risk assessment into the work write-up process. Workshops on lead-based paint issues were held at the Community Development Academy and at three scattered site housing sessions.



### **North Carolina Housing Finance Agency**

- All HOME-funded programs will continue to be in compliance with new U.S. Department of Housing and Urban Development lead regulations (24 CFR Part 35).  
Status: These regulations have been implemented for all applicable agency programs.

- The Agency will continue to participate in a quarterly, ad hoc lead hazards advisory group made up of concerned individuals from the Public Health, Environmental Protection, Affordable Housing, and Occupational Safety sectors.  
Status: Agency staff continues to participate in this group.
- The Agency will continue to operate the established Lead Abatement Partnership Program (LAP) using HOME funds. Under LAP, the Agency has offered assistance to low-income owner-occupants with a lead poisoned child (above 20 µg/dL) for over six years. On average, about six cases are handled per year.  
Status: HFA continues to operate the Lead Abatement Partnership Program.
- Using Housing Trust Fund monies set-aside through the Urgent Repair Program under the name “Displacement Prevention Partnership”, the Agency will offer up to \$5,000 per unit to LAP referrals whose situation may be more appropriately handled through DENR’s Preventative Maintenance Program. Funds are provided as grants to the homeowners to pay for cleanup and stabilization activities as prescribed by DENR’s regional lead specialists.  
Status: The Displacement Prevention Demonstration Program, DPD, continued throughout 2005.
- The Agency will continue to count households with a child elevated blood lead level (greater than 10µg/dL) as an eligible special needs household under the regular Urgent Repair Program (URP). All households that are URP beneficiaries must be special needs households. Local health officials can refer such cases to local URP recipient organizations for assistance with Preventative Maintenance Program activities.  
Status: Households with Elevated Blood Level, EBL, children between 10 and 20 mg/dl are not only eligible under URP; but specifically targeted under the Displacement Prevention Partnership.

#### **Office of Economic Opportunity**

- Lead safe weatherization training will be provided to subrecipient staff and subcontractors of the N.C. Weatherization Assistance Program to ensure the proper handling of situations involving lead hazards in dwellings receiving services.  
Status: Training on lead-safe work practices continues to be provided to crew members and contractors that perform work for the Weatherization Assistance Program.

## **2005 CDBG PERFORMANCE REPORT**

In 2005, much of the Community Development Block Grant program's focus was on two goals outlined in the Commerce Department's strategic plan: Building Stronger Communities and Creating Jobs Through Sustainable Economic Development. State resources were focused on stimulating development in rural communities and some urban areas, which have not experienced positive growth. The following is an assessment of strategic actions undertaken during the reporting period to address the state's community development priorities.

- The Division of Community Assistance (DCA) and its partner the Commerce Finance Center (CFC) continued to create jobs through sustainable economic development targeted to low-to-moderate income residents through a variety of programs.
- DCA continued to address persistent poverty in rural communities and parts of urban areas of the state by putting emphasis on Tier 1 and Tier 2 Communities, local governments with State Development Zones, and the 21<sup>st</sup> Century Communities Initiative.
- DCA continued high levels of funding in its core programs of Scattered Site Housing and Concentrated Needs, both of which greatly improve the physical living conditions of our state's poorest residents.
- DCA continued to advance the Governor's Growth policies by incorporating sustainable development principles and policies into criteria for CDBG funding for Housing Development and other categories.

CDBG Grants were awarded in the following categories in 2005: Community Revitalization (includes Concentrated Needs and Revitalization Strategies, Scattered Site Housing, Economic Development, Housing Development, Infrastructure, Capacity Building, Individual Development Account, and Urgent Needs/Contingencies). The following is a summary of the accomplishments by local governments made in 2005 and the number of grants awarded in 2005.

### **Scattered Site Housing (SSH)**

The Scattered Site Housing sub-category enables local governments to address the most critical housing needs of very low-income families throughout a county. Funds may be used for the following housing activities: rehabilitation, relocation, acquisition, clearance, and disposition.

Accomplishments: Scattered Site Housing funds were distributed to communities in North Carolina, providing 581 LMI households with safe, decent, sanitary housing either through rehabilitation or relocation. In addition, 204 dilapidated homes were either cleared or improved through code enforcement measures, removing slum and blight from those neighborhoods.

Awards: Thirty-two (32) Scattered Site grants were awarded in the 2005 program year. It is proposed that 256 households will either have their residential units rehabilitated or will be relocated to better housing.

### **Community Revitalization**

The Community Revitalization category provides grants to local governments to strengthen neighborhoods and rehabilitate homes of low- to moderate-income citizens. Awards are made on a competitive basis. In 2005, Community Revitalization grants were made in two sub-categories: Concentrated Needs and Revitalization Strategies.

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The *Concentrated Needs (CN)* sub-category helps local governments address specific areas with concentrated needs (six or more homes in a geographical area). Funds may be used for housing activities (rehabilitation, relocation, acquisition, clearance, and disposition), water and/or sewer installation or replacement, construction or upgrading of streets and drainage improvements. In 2005, communities were given greater flexibility to undertake alternative activities, such as construction of public facilities or housing counseling.

Accomplishments: Concentrated Needs funds were distributed to communities in North Carolina, providing approximately 342 households with safe, decent, and sanitary housing through rehabilitation or relocation. In addition, 55,410 linear feet of new water lines were placed to connect 225 households to safe, clean drinking water, and 8,780 feet of new public sanitary sewer lines were installed to provide sanitary waste disposal to 606 households. In addition, 105 dilapidated houses were cleared removing slum and blighting conditions from those neighborhoods.

Awards: DCA awarded seventeen (17) Concentrated Need grants in 2005. The selected local governments plan to provide services to 211 households, either rehabilitating or relocating the housing stock, and/or providing public water or sewer, and/or improving streets and drainage facilities.

The *Revitalization Strategies (RS)* sub-category allows communities to address poverty in a more comprehensive manner and over a longer period of time than the Concentrated Needs Program. Eligible activities include any activities in the other state grant categories as well as activities eligible under HUD federal guidelines.

Accomplishments: In 2005, the ten Revitalization Strategies grantees received funds to improve ten communities throughout the state. Through this program, 87 households were provided safe, decent, and sanitary housing through rehabilitation or relocation. In addition, 1,679 linear feet of new sanitary sewer line was placed to connect households to provide sanitary waste disposal to seven households. In addition, 987 residents of these target communities are benefiting from the construction of neighborhood facilities or services such as a community center, employment incubator, down payment assistance or job training, and/or some other beneficial projects in low-to-moderate income areas.

Awards: In 2005, DCA continued to fund the ten (10) communities selected to receive RS grants in 2002. The ten selected communities received \$350,000 each for their fourth year of funding. This year, the selected local governments will improve the housing and suitable living conditions of 70 households through housing activities, physical infrastructure, and/or other public services such as job training down payment assistance and financial literacy training, and building of community centers.

### **Housing Development (HD)**

The Housing Development grant category promotes new housing development for low-to-moderate income (LMI) persons by defraying some of the costs of renovating older buildings or building subdivisions. Eligible uses of CDBG funds include installation of public infrastructure (water, sewer streets, sidewalks and drainage on a case by case basis), the removal of hazardous material, acquisition of vacant land or vacant buildings by an eligible non-profit, and certain rehabilitation activities (on a case by case basis). The objective of the HD category is to support projects that create additional units of affordable housing for LMI residents.

Accomplishments: Housing Development funds were distributed to communities in North Carolina, reducing the costs of new housing units for 117 first-time homebuyer households.

Awards: There were four (4) HD awards made in 2005. Three of these grants are to construct a total of 33 new homeownership units. The fourth grant is to construct 36 rental units in a multi-family project.

### **Infrastructure (IF)**

The Infrastructure grant category enables local governments to provide new infrastructure (public water and/or public sewer) to existing residential neighborhoods to correct problems that pose a severe health or environmental risk or to improve existing infrastructure in existing residential neighborhoods. A sub-category, Infrastructure Hook-Up, connects LMI households that would otherwise be unable to afford the connection to existing water and/or sewer lines (not installed using CDBG funds).

Accomplishments: Infrastructure funds were distributed to communities in North Carolina. Projects in this category installed 36,740 linear feet of new water lines to provide 642 households, the majority of which are low-to-moderate income, with safe drinking water. In addition, 54,930 linear feet of new sanitary sewer lines were installed to provide 1,097 households, also predominantly low-to-moderate income, with sanitary sewage disposal. The Infrastructure Hook-Up program connected 188 households to existing water and/or sewer lines.

Awards: In 2005, four (4) Infrastructure grants were made to local governments totaling \$2,235,000. Water and/or sewer lines will be installed to provide sanitary conditions to 63 existing housing units. Eleven (11) Infrastructure Hook-Up grants were awarded for a total of \$748,748 to connect 212 LMI households to existing water or sewer lines.

### **Economic Development (ED)**

Accomplishments: Administered by the Commerce Finance Center (CFC), CDBG-ED grants provided funding in 2005 to create or retain 2,217 jobs, at least 1,330 of which were for low-to-moderate income residents.

Awards: In 2005, the Commerce Finance Center awarded 27 Economic Development grants to local governments who, working with private companies, will create or retain jobs for low-to-moderate income residents in their communities.

### **Capacity Building (CB)**

The Capacity Building Grant Category is designed to encourage local governments to partner with an eligible local non-profit in developing future community development projects. The local unit of government serves as the grant applicant while the non-profit organization is the indirect recipient of funds. Ultimately, the capacity building grant is expected to result in a future CDBG application.

Accomplishments: The Town of Mooresville, in conjunction with a local non-profit, submitted a Housing Development application in 2005 due in large part to the increased capacity created through the Capacity Building grant.

Awards: In 2005, DCA awarded capacity building funds to three communities.

## **Straight Piping Elimination**

The Straight Piping Elimination Category is designed to eliminate on-site problems (gray and black water) that pollute watersheds used for water supply, high quality and outstanding resource water stream segments or degraded or threatened waters.

Accomplishments: The two Straight Piping Elimination grants awarded in 2003 continue progress on their projects.

Awards: No Straight Piping Elimination grants were awarded in 2005. The category has been eliminated for the 2006 program year.

## **Individual Development Account (IDA)**

The IDA Program is designed to help local governments establish an IDA program in their community by promoting first-time home ownership. CDBG monies will match a participant's (enrolled in the local IDA program) savings dollar for dollar, up to a thousand dollars to be used for either down payment assistance or closing costs, as well as assist non-profits or local governments provide financial literacy training, homebuyer education, housing counseling, and credit counseling to LMI residents seeking to purchase their first home.

Accomplishments: There are ten (10) existing IDA grantees. They provided financial literacy and homeowner education, as well as downpayment assistance, to 30 households that were able to purchase a home for the first time as a result of CDBG funds in combination with participants' savings and local matching funds. Three of those grantees closed their grants in 2005.

Awards: Three new IDA grants were awarded in 2005 (Davie County, Person County, and Vance County). It is proposed that sixty (60) LMI households will purchase their first home through these programs.

## **Urgent Needs (UN)**

Accomplishments: Urgent Needs funds were utilized to provide 27 LMI households with safe, decent, sanitary housing either through rehabilitation or relocation. In addition, over 30,000 households were provided access to safe drinking water through the installation of new water lines in drought ravaged areas of the state.

Awards: Urgent needs funds were awarded to communities in North Carolina in 2005 to address housing and infrastructure needs as a result of hurricanes and tropical storms.

## **Technical Assistance**

In 2005, technical assistance priorities included: 1) increased technical assistance to local governments and their agents that furthers the goals and priorities of the CDBG program, 2) technical assistance to developing community development corporations, and 3) increased support for workshops, seminars, and training for grantees and staff.

During the 2005 program year division staff presented at various workshops, conferences and other training opportunities in order to further reach out to community development professionals and provide

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technical assistance as often as necessary. In addition to one-on-one consultation with local governments, councils of government, and consultants, DCA staff members provided technical assistance to a number of non-profit and local government advocacy groups including the North Carolina Community Development Association, the School of Government at the University of North Carolina at Chapel Hill, North Carolina Community Action Agencies, the North Carolina League of Municipalities, and the North Carolina Housing Coalition.

DCA continued its annual CDBG training academy in 2005, as part of the Community Development Academy offered by the School of Government at the University of North Carolina at Chapel Hill. The purpose of this academy is to train community development professionals in best practices and to make them aware of all possible resources at their disposal as they attempt to better the living conditions and economic opportunity of their residents. One aspect of this training is the instruction by DCA staff on proper administration and development of CDBG grant programs. It is expected that the Community Development Academy will continue to provide instruction and technical assistance in 2006.

The Division held three workshops for contractors and rehabilitation specialists. One session of the workshop focused on how they should integrate the lead based paint risk assessment into the work write-up process. Another session focused on the overall DCA grant monitoring process to help ensure that all grantee are aware of their responsibilities for CDBG grants. In addition, the Division's Rehabilitation Specialist also met with local contractors and rehabilitation specialists on various occasions to discuss a number of lead-based paint issues. Lead based paint issues were also discussed during the Community Development Academy, a joint effort between DCA and the School of Government at the University of North Carolina at Chapel Hill.

#### **Certification of Consistency**

In 2005, DCA certified public housing authorities seeking HUD funds as identified in the SuperNOFA.

#### **Compliance with URA/Actions Taken to Avoid Displacement**

It is not the Division's policy to encourage displacement of individuals. Local governments that utilize voluntary relocation activities must follow all of the requirements of the Uniform Relocation Act.

## **ESG PERFORMANCE REPORT**

The North Carolina Emergency Shelter Grants (ESG) Program is designed to improve the quality of existing emergency shelters, to help meet the costs of operating emergency shelters and transitional housing programs, and to provide essential services to homeless individuals and families with children so that they may improve their situations. The ESG Program is also intended to restrict the increase of homelessness through the provision of preventive programs and activities. The program is funded by the U.S. Department of Housing and Urban Development (HUD) and administered by the Office of Economic Opportunity, N.C. Department of Health and Human Services. The State's ESG program year coincides with the State's fiscal year (July 1 – June 30).

### **Program Application Process**

In early January of 2005, pre-applications for FY 2005 ESG funding were distributed to all FY 2004 ESG grantees, all 100 county managers and other interested agencies, organizations and persons across the State. Program staff reviewed these pre-applications to determine the eligibility of the applicants in February of 2005. Eligible applicants included private, nonprofit organizations as described in section 501(c) of the Internal Revenue Code of 1988 and units of local government that met the following criteria.

- Has operated the emergency and/or transitional shelter facility for which funding is requested for at least one year prior to the date of pre-application;
- Operates the emergency and/or transitional facility for which funds are requested for a minimum of six full months out of the year;
- Operates a safe and sanitary facility which:
  - if a 24 hour or Night Only facility, has an average daily occupancy (ADO) of at least six homeless persons per night; or
  - if a Day Only facility, has an APSD (average number of persons served daily) of at least 30 persons per day; and, provides one or more of the essential services defined by the U.S. Department of Housing and Urban Development.
- Has an established accounting system that provides for maintenance of ESG funds in accordance with OMB Circulars A-110 and A-122;
- Has a voluntary board of directors of at least five members;
- Has the ability to expend ESG funds within 365 days;
- Has acceptable resources to match the ESG funding received;
- Involves, to the maximum extent practicable, homeless persons in maintaining and operating facilities assisted under the ESG Program and in providing services for occupants for these facilities; and,
- In the case of a private, nonprofit organization, has the written endorsement for the operation of the homeless facility for which funding is sought of the unit of local government in which the facility is located. This endorsement must be signed by an authorized official of the unit of local government (mayor, county/city/town manager, officer of the county board of commissioners), must specifically state the name of the applicant organizations and the name of the facility for which funding is sought and must be on official letterhead of the authorized official signing.

Eligible applicants were notified of their approved funding level and received full application packages in late March of 2005. A training session on the ESG Program and the completion of the application package was held for new ESG grantees and new staff of current grantees in mid-April of 2005. Program staff reviewed submitted applications in May of 2005. Contracts with applicants whose applications were

approved were prepared, distributed for signature and finalized by June 30, 2005. The State's FY 2005 ESG Program year began July 1, 2005.

### **FY 2005 Program Funding**

North Carolina's FY 2005 ESG allocation totaled \$2,493,605. Of this amount, \$2,368,925 was made available for distribution to 104 nonprofit organizations and three units of local government operating 144 facilities for the homeless in 53 counties of the state. The remaining \$124,680 was used for program administration as allowed by program regulations.

Funding amounts for individual approved grantees were determined by several factors including:

- a. The total number of eligible program applicants
- b. The total amount of ESG funding allocated to the State
- c. The type of facility for which funding is requested, i.e., Night Only, 24-Hour, Day Only, or Transitional
- d. In the case of Day Only homeless facilities, the average number of homeless persons provided shelter and essential services on a daily basis.
- e. In the case of all homeless facilities other than Day Only facilities, the average number of persons sheltered each night at the facility.

FY 2005 ESG grantees used program funds for one or more of the following activities related to sheltering and/or serving the homeless:

Operations: Payment of administrative costs (salaries and fringe benefits), maintenance, rent, minor repair, security, equipment, insurance, utilities, food, furnishings, and other costs necessary to operate the facility.

Essential Services: Supportive Services to homeless families and individuals including, but not limited to:

- Housing Referral
- Medical and psychological counseling and supervision
- Nutritional counseling
- Job training; Employment counseling
- Substance abuse treatment and counseling
- Assistance in obtaining federal, state, and local assistance
- Child Care Assistance
- Transportation Assistance
- Information and Referral for obtaining other federal, state and local assistance

Homeless Prevention: Preventive programs and activities could be developed that included short-term subsidies, security deposits, first and last month rent payments, payments to prevent foreclosure on a home, utility deposits and/or delinquent utility payments. Grantees were required to maintain written documentation of the homelessness or impending homelessness of the persons who received homeless prevention funds. Satisfactory types of documentation included eviction notices, letters from landlords indicating their intent to begin eviction proceedings, utility shut-off notices and/or letters from emergency shelter or transitional housing directors indicating that the applicant had been housed in their facility.

There was no pre-determined amount allocated for any of the eligible activities listed above. However, statutory requirements limited the amount of funds that could be used for essential services and for homeless prevention activities to 30% of the recipient's total grant amount. Administrative costs (salaries and fringe benefits) charged to Operations are limited to 10% of the total ESG grant allocation.

ESG grantees were not permitted to use their funding for new construction, renovation, major rehabilitation, or conversion of buildings for use as emergency shelters or transitional housing for the homeless.

Grantees requested reimbursement for approved ESG expenditures by submitting monthly financial status reports to the Office of Economic Opportunity. These reports are first reviewed for accuracy by the program staff and then forwarded for processing and payment to the Office of the Controller within the Department of Health and Human Services.

### **Program Match Requirements**

All FY 2005 ESG grantees were required to match the funding provided them under the ESG Program with an equal amount of other resources such as cash, donated land, space of materials and/or volunteer hours.

### **Program Evaluation and Monitoring**

All FY 2005 ESG contractors are monitored in accordance with the N.C. Department of Health and Human Services risk-based monitoring requirement. The primary methods of monitoring employed by OEO staff include:

- Review of contractor pre-applications and applications
- Review of mid-year and end-of-year contractor performance reports
- Review of contractor monthly financial status reports
- Periodic on-site monitoring, including review of randomly-selected case files; and
- On-going telephone contact with contractor staff

All ESG grantees were required to submit a mid-year performance report by December 31, 2004 and will be required to submit an end-of-year performance report to the Office of Economic Opportunity (OEO) by July 30, 2005. These performance reports detail the unduplicated number and characteristics of clients served by contractors during the respective reporting period. They also provide OEO with information regarding the causes of homelessness reported by program clients and, if applicable, the types of services delivered to clients by grantees. Program staff review all submitted reports for accuracy and to assure that contractors were meeting program requirements regarding average daily occupancy, service delivery and verification of client homelessness. Data collected from the individual grantee mid-year performance reports is compiled into a spreadsheet showing totals by category by grantee and county. The same was done with information collected through grantee end-of-year reports in July of 2005. These reports were distributed to ESG contractors, the North Carolina State Office of the Department of Housing and Urban Development, members of the Interagency Council for Coordinating Homeless Programs (ICCHP), the NC Department of Health and Human Services and, upon request, to other state agencies, nonprofit organizations and the general public.

Priority for grantee on-site monitoring is given by OEO to:

- grantees receiving ESG funds for the first time,
- grantees with fiscal, management, and/or service delivery problems identified by program staff through review of grantee reports;
- grantees for which complaints regarding their fiscal, management or service delivery performance have been received by OEO from clients, staff, volunteers and/or the general public.

During on-site monitoring visits, the grantee's ESG program operations were observed and facilities were toured. OEO staff review records of program expenditures to determine that all funds were being spent according to the budget approved by OEO. Randomly-selected client files were examined to assure that eligible persons are being served and that one or more essential services are being provided to clients as required by program regulations. Grantee bylaws, board minutes, and personnel policies were reviewed to assure that the grantee is operating properly and in compliance with all federal regulations. Letters detailing monitoring findings were sent to each monitored grantee within one month of the visit. The monitored grantee was given deadline dates to respond to any findings and complete corrective action as required.

Another aspect of program monitoring employed by OEO staff during the ESG program year was frequent telephone conversations between program staff and the grantee programs. Grantees called program staff throughout the year with questions about ESG regulations, program changes, grant requirements and other issues regarding their programs. Program staff also initiated telephone calls to grantees to question information contained in monthly requests for reimbursement or to investigate reports received regarding the grantee's performance.

### **Program Accomplishments**

The State of North Carolina used its FY 2005 ESG allocation to fund 144 homeless facilities in 53 of the State's 100 counties. Of these facilities, 46 were 24-hour emergency shelters, 42 were domestic violence centers, 35 were transitional facilities, ten were night-only emergency shelters, four were day-only shelters, five were interfaith hospitality networks and two were youth facilities.

All FY 2005 grantees were required to submit a mid-year performance report covering the period of July 1, 2005 through December 31, 2005. A performance report covering the entire program fiscal year (July 1, 2005 – June 30, 2006) will be required of all FY 2005 grantees no later than July 30, 2006. These reports provide information regarding the persons served by grantees including total number of single individuals, families and family members served and the ages, race and gender of persons served. The reports also include information regarding the causes of homelessness reported by persons served and the grantee ESG Program expenditures during the report period.

The following information regarding the clients served by ESG grantees for calendar year 2005 was derived by taking data reported by the FY 2004 grantees for the period of July 1, 2005 – December 31, 2005 and combining it with information provided by FY 2004 grantees for the last half of the FY 2004 program year (January 1, 2005 – June 30, 2005).

**Table 8, Persons Served by North Carolina ESG Grantees, July 1, 2004 – June 30, 2005**

<b>Average Daily Occupancy (ADO)</b>	3,951
<b>Total Homeless Persons Served</b>	45,031
<b>Single Individuals</b>	30,472
Single Male Adults	20,746
Single Female Adults	9,726
<b>Total Families Served</b>	4,728
<b>Adults in Families Served</b>	5,360
Male Adults in Families	516
Female Adults in Families	4,844
Children in Families Served	9,199
<b>Total Persons in Families Served</b>	14,559
<b>Total Veterans Served</b>	3,614
Male Veterans	3,462
Female Veterans	152
<b>Total Persons Served by Race</b>	45,031
Asian/Pacific Islander	188
Black	23,761
Hispanic	2,284
Native American	361
Non-Hispanic, White	16,894
Bi-Racial	741
Unknown	802

The primary causes of homelessness cited by persons served by ESG grantees during FY 2004 included: alcohol and/or substance abuse, unemployment and/or underemployment, dual diagnosis, mental illness, domestic violence, eviction, transient/relocation, prison release, and health-related disability.

### **Conclusion**

The State's annual ESG funding remains inadequate for the ever increasing demand for assistance from homeless facilities. Over the last two years, many of the organizations operating facilities for homeless people in the state have experienced significant budget cuts due to reduced contributions from local United Way chapters, churches, foundations and individuals. This has increased their dependency on government sources. As a result, the Office of Economic Opportunity saw an increase during FY 2005 in the number of organizations inquiring about ESG funding and/or submitting pre-applications for FY 2006 ESG funding. Federal ESG funding is the only source of funding specifically for homeless facilities and services available. State funds specifically targeted for homeless facilities are not available.

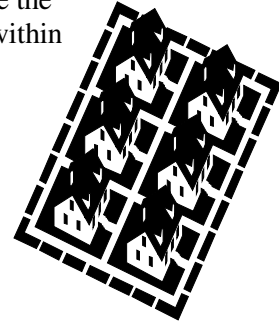
## **2005 HOME PERFORMANCE REPORT**

### ***CONSISTENCY WITH THE 2005 ANNUAL ACTION PLAN***

#### ***Relationship between the State's priorities and the HOME-funded activities***

North Carolina's Consolidated Plan was developed with community and interdepartmental cooperation and outreach. The identified priorities cover a broad range of needs from preserving and increasing the supply of affordable housing across the state to developing housing with supportive services for persons with special needs. The North Carolina HOME program was designed to serve the needs prioritized in the state's 2001-2005 Consolidated Plan while remaining within the Federal guidelines.

The state is taking advantage of the flexibility of the HOME program and the added flexibility relative to regulatory waivers that evolved as a result of disaster recovery. During the reporting period all activities that are allowed under the Federal HOME Program regulations in 24 CFR Part 24 were supported, including Tenant-Based Rental Assistance (TBRA).



The following programs were supported with HOME and ADDI funding:

- 1. Downpayment Assistance Program**
- 2. New Homes Program**
- 3. Self Help Housing Program**
- 4. Rental Production Program**
- 5. Single-Family Rehabilitation Program**
- 6. Tenant-Based Rental Assistance**
- 7. Rural Opportunity Mortgage Program**
- 8. IDA Loan Pool Program**
- 9. Supportive Housing Development Program**

**Table 9, Summary of Priorities by Household and Income Tenure**

Percent of Median Family Income	Renters	Existing Owners	Homeless Families and Individuals	Nonhomeless Persons with Special Needs	Families and Individuals Displaced by Disaster
0-30%	High	High	High	High	High
31-50%	High	Medium	High	High	High
51-80%	Medium	Low	High	Medium	Medium

## High Priority Needs

**(\$13.15 million invested)**

### Assist Homeless Families and Individuals

Through the Supportive Housing Development Program the Agency invested \$658,000 in HOME funds to provide affordable housing to 22 homeless households and individuals.

### Assist Renters Earning 0-30% of Median Family Income and Assist Renters Earning 31-50% of Median Family Income

Through the Rental Production Program the Agency invested \$931,000 in HOME funds in the development of 64 rental units affordable to households earning less than 50% of Median Family Income.

NCHFA's homebuyer assistance programs also assisted households earning less than 50% of MFI. The Agency invested \$952,000 in 43 households through the New Homes Program, \$2.02 million in 87 households through the Self Help Housing Program, \$7.26 million for 115 households through the Rural Opportunity Mortgage Program, \$203,000 for 13 households through the Individual Development Account Program, and \$642,000 in 97 homes in the Downpayment Assistance Program. The Agency financing enabled 355 renting households earning less than 50% of MFI to become homeowners.

### Assist Homeowners Earning 0-30% of Median Family Income

The Single Family Rehabilitation Program invested more than \$467,000 to serve homeowners in this income category. Through this program the Agency was able to keep 17 home-owning households in safe, adequate housing.

### Assist Families and Individuals Displaced by Disaster Earning 0-50% of Median Family Income

This category was removed from the list of priority needs for the 2005 Annual Action Plan, but the Agency continued to provide rent assistance in 2005 to 39 households. It provided \$21,000 investment in rent assistance for these households.

*Some of the programs mentioned above can also benefit other high priority categories: Non-Homeless Persons with Special Needs earning 0-50% of Median Family Income, and Homeless Families and Individuals.*

## Medium Priority Needs

**(\$11.02 million invested)**

### Assist Existing Home Owners Earning 31-50% of Median Family Income

The Agency invested \$378,000 in HOME funds through the Single-Family Rehabilitation Program to rehabilitate 13 owner-occupied, single-family homes for homeowners in this income category.

### Assist Renters Earning 51-80% of Median Family Income

Through the Rental Production Program, the Agency invested \$2.28 million in HOME funds in the development of 135 rental units affordable to households earning 51-60% of Median Family Income.

The Agency's homebuyer assistance programs enabled 391 renting households in this income category to purchase homes. It invested \$3.27 million in 155 homes through the New Homes Program, \$1.45 million in 63 homes through the Self Help Program, \$2.51 million for 35 homes

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through the Rural Opportunity Mortgage Program, \$429,000 for 25 homes through the Individual Development Account Program, and \$713,000 in 113 homes through the Downpayment Assistance Program.

*Some of the programs mentioned above can also benefit another medium priority category: Non-Homeless Persons with Special Needs earning 51-80% of Median Family Income.*

## **Low Priority Need**

**(\$85,000 invested)**

### Assist Existing Home Owners Earning 51-80% of Median Family Income

The Single Family Rehabilitation Program used \$85,000 in HOME funds to rehabilitate 3 houses for homeowners earning 51-80% of the median family income.

## ***Outcomes of the Efforts***

The table below shows the households assisted during 2005 and the funding used to serve those households. These numbers have been taken from the table *Federal Funding through the Core Programs and Households Assisted* in the 2005 Consolidated Annual Performance and Evaluation Report (CAPER). In previous years the agencies have reported figures about the awards they had expected to make and the awards they actually made during the reporting period in that table. Because of improved record-keeping, the North Carolina Housing Finance Agency is able to report on the actual units that were placed in service during the reporting period.

**Table 10, Outcomes of HOME Funding Efforts**

Program	Funding for Households assisted in 2005, in \$000s	Households Actually Assisted in 2005
Single Family Rehabilitation Program	\$ 930	33
Rental Production Program	\$ 3,207	199
Downpayment Assistance Program	\$ 1,355	210
New Homes Program	\$ 4,218	198
Self Help Housing Program	\$ 3,469	150
Rural Opportunity Mortgage Program	\$ 9,764	150
IDA Loan Pool Program	\$ 632	38
Disaster Tenant Based Rent Assistance	\$ 21	39
Supportive Housing Development Program	\$ 658	22

## **Single Family Rehabilitation Program**

While the SFR program helped households in all three priority levels, 51% of households assisted earned below 30% of MFI and 90% earned less than 50% of MFI. The Agency continued its evaluation of the program during 2005, and made 21 awards totaling \$6.8 million in HOME funding. However, it continued to assist households through awards made in previous years; these are the households which are reported in this 2005 HOME Report and 2005 CAPER.

## **Rental Production Program**

The Agency's rental development programs (which include the Housing Tax Credits and the Rental Production Program) leveraged very low rents in 2005 – approximately 75% of all apartments financed in 2005 will be affordable to households earning less than 50% of MFI. Of the 221 HOME-funded

apartments placed in service in 2005, 41% are affordable to people earning less than 50% of MFI and 100% are affordable to those earning less than 60% of MFI. Thirty-nine (19%) of these apartments are designed to be accessible to persons with disabilities.

In addition to using HOME-funded programs to serve high-priority-needs populations, it is important to point out that the Agency finances rental housing affordable to those earning below 50% of MFI through the North Carolina Housing Trust Fund and the Housing Tax Credit Program. The Agency also funds rental housing for persons with special needs earning 0-50% of MFI through its Supportive Housing Development Program (with funding from the North Carolina Housing Trust Fund) as well as through the Housing Tax Credit Program.

### **Supportive Housing Development Program**

The Agency's Supportive Housing Development Program also produced very affordable units in 2005: all 22 HOME-funded units placed in service in 2005 are affordable to households earning less than 50% of MFI. Additionally, all of these units serve the homeless.

### **Downpayment Assistance Program**

In 2005, 46% of the DAP borrowers earned less than 50% of the median family income. The racial breakdown of the borrowers is as follows: Black 35%, White 61%, Asian 2%, and Native Hawaiian or Pacific Islander 2%. The ethnic breakdown is as follows: Hispanic 6%, Nonhispanic or Unknown ethnicity 94%.

### **New Homes Program**

In 2005, 22% of the first-time homebuyers served by the New Homes program earned less than 50% of MFI. The racial breakdown of the borrowers is as follows: Black 58%, White 27%, Asian 1%, Other/Multi-racial 15%. The ethnic breakdown is as follows: Hispanic 10%, Nonhispanic 67%, Unknown 24%.

### **Self-Help Housing Program**

In 2005, 58% of first-time homebuyers served by the Self-Help Housing Program earned less than 50% of MFI. The racial breakdown of the borrowers is as follows: Black 53%, Asian 2%, White 28%, Other/Multi-racial 16%, Unknown 1%. The ethnic breakdown is as follows: Hispanic 18%, Nonhispanic 45%, Unknown 37%.

### **IDA Loan Pool Program**

In 2005, 34% of the IDA beneficiaries earned less than 50% of the median family income. The racial breakdown of the borrowers is as follows: Black 71%, White 26%, Other/Multi-racial 3%. The ethnic breakdown is as follows: Hispanic 11%, Nonhispanic 58%, Unknown 32%.

### **Single Family Rehabilitation Program**

In 2005, 52% of the SFR beneficiaries earned less than 50% of the median family income. The racial breakdown of the borrowers is as follows: Black 48%, White 48%, Unknown 3%. The ethnic breakdown is as follows: Hispanic 0%, Nonhispanic 55%, Unknown 45%.

### **Rural Opportunity Mortgage Program**

In 2005, 77% of the ROM borrowers earned less than 50% of the median family income. The racial breakdown of the borrowers is as follows: Black 25%, White 73%, Asian 1%, Native Hawaiian or Pacific Islander 1%, Unknown 1%. The ethnic breakdown is as follows: Hispanic 5%, Nonhispanic or Ethnicity Unknown 95%.

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## ***EFFECTIVENESS OF AFFIRMATIVE MARKETING ACTIONS***

### ***Impediments to and Issues Facing the Administration of the HOME Program***

In some communities where federally-assisted housing is developed, normal and traditional means of marketing are insufficient to reach persons who might otherwise not be expected to apply to live in that housing. Additionally, in some instances minority tenants have been placed to live in a specific area, section or unit of the project, creating a high minority (ethnic, racial, etc.) concentration. In other cases, outreach for certain developments is only targeted to racial minorities so that those who might not otherwise consider moving into those communities do not. To avoid scenarios like these, the state has adopted procedures consistent with the requirements of affirmative marketing under 24 CFR Part 92.351 (a) and (b). Subrecipients of HOME funding, for activities other than tenant-based rental assistance, must certify that they have developed and adopted affirmative marketing procedures for HOME-assisted housing developments containing five or more housing units. All award recipients are strongly encouraged to uphold fair housing and affirmative marketing laws and procedures.



### ***Addressing Impediments in Rental Housing***

With the Agency's HOME-funded **Rental Production Program**, developers and their nonprofit partners are encouraged to select sites close to services and community support networks and outside of areas with high minority concentration, high poverty, and high low-income concentration. Prior to the issuance of a final Rental Production Program loan commitment letter for a rental development loan covered by Section 92.351, the developer and partners must have submitted an Affirmative Fair Housing Marketing Plan that is reviewed and approved by the Agency, which makes suggestions for improvements where necessary. This outlines the developer's and partners' plans to implement affirmative marketing activity and comply with fair housing laws. By combining HOME, the Housing Trust Fund, and tax credits, the Agency has enough subsidy to develop housing in all 100 counties, including the poorest counties in which it is most difficult to develop affordable housing. In addition, during the annual site visits to monitor HOME-funded properties, the implementation of the Affirmative Fair Housing Marketing Plan is reviewed along with policies for selecting tenants, accepting Section 8 certificate and voucher holders, and maintaining their waiting list, in light of being nondiscriminatory. To date, the state has provided financing for 200 rental projects covered by Section 92.351.

### ***Addressing Impediments in Home Ownership***

Although this program is not directly administered by the Agency, as part of its outreach for the HOME-funded **Downpayment Assistance Program** the Agency makes efforts to and encourages its participating lenders to uphold fair housing laws, as well as affirmative marketing procedures, which encourage minority participation and the participation of those who have traditionally been left out of the market for homeownership.

As part of its threshold review of applicants, the Agency's **New Homes Loan Pool** requires that all organizations participating demonstrate that they have a plan in place to affirmatively further fair housing through project marketing. This allows them to take full advantage of resources for outreach to possible tenants, owners, and those in their housing market area who are not likely to apply without special

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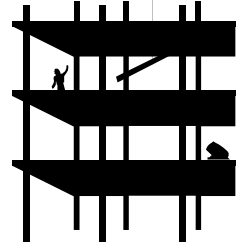
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outreach through the media, community groups and housing counseling/homebuyer education efforts. Additionally, the Agency requires participants in the **Self Help Loan Pool** to discuss their marketing and outreach plans with Agency staff.

As part of the **Single-Family Rehabilitation Program**, each subrecipient has been required to submit its assistance policy, which has been reviewed and approved by the Agency. Unlike units funded by U.S. Department of Housing and Urban Development's Community Development Block Grant Program, our units are not pre-selected by neighborhood. Establishing an assistance policy is a fair way for the screening of applicants. It is designed to lay out an organization's standards and policies for awarding the funds, selecting those who are assisted by the program, inviting bids, and resolving complaints at the local level, taking application criteria into consideration without regard to race, creed, sex, color or national origin. An applicant organization's policy is given to each applicant for assistance and made available to the general public. It must be applied uniformly, and state that local project's applicants will neither be selected to receive nor denied assistance based upon protected classes. Once the North Carolina Housing Finance Agency has made the awards to the applicant organization, as part of the post award monitoring, there is a review of how the organization has implemented its assistance policy and provided services in a fair and open manner.

## ***EFFECTIVENESS OF OUTREACH TO MINORITY-OWNED AND WOMEN-OWNED BUSINESSES***

In the State of North Carolina, the Department of Administration is charged with implementing outreach programs to minority and women owned businesses. The Department's staff maintains current listings of minority and women-owned businesses, services, and suppliers; and provides comprehensive and continuing assistance and support to them. The office also acts to provide assistance in case of discrimination. The North Carolina Housing Finance Agency will work with the Department of Administration to meet the requirements of the HOME Program in this area.



From October 2004 through September 2005, under the state's minority outreach program and in conjunction with its HOME-funded activities, 85 contracts were reported as awarded worth a total of \$24,578,853.<sup>2</sup> Of the 85 contracts, seventeen (20%) were awarded to MBEs and two (2%) were awarded to WBEs. In addition, there were 213 subcontracts reported totaling \$12,447,554. Twenty-six (12%) were awarded to MBEs and seventeen (8%) were awarded to WBEs.

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<sup>2</sup> The contracts summarized above are the contracts on which the Agency reported in its October 2005 report HUD-2516; these are the same contracts included on form HUD-40107 (Annual Performance Report).

## ***PARTNER ORGANIZATIONS***

### ***Partnering with Community Housing Development Organizations (CHDOs)***

According to HUD's HOME Program Performance SNAPSHOT (as of 12/31/2005), the Agency ranks twenty-sixth nationally in the CHDO ranking category (Percent of Completed CHDO Disbursements to All CHDO Reservations). The national average was 67.52% and the Agency's percentage was 76.56%

During 2005, eleven CHDOs served households with Agency funding. These CHDOs used \$1,236,172 in HOME funds to serve 57 first-time homebuyers through homebuyer assistance, and also completed Single Family Rehab on 10 homes using \$245,893 in HOME funds.

Additionally, there are thirteen HOME Consortia in North Carolina. Five HOME Consortia were recertified in 2005. In the 2006 Program Year, the Agency plans not to approve additional Consortia if it will result in a net loss of HOME funds to the State.

### ***Maximizing Private Sector Participation in the HOME Program***

The North Carolina Housing Finance Agency is able to maximize participation by the private sector through its programs, which allow for HOME resources to leverage private investments through an existing delivery system. The Agency uses its HOME-funded Downpayment Assistance Program, New Homes program, and IDA Program in conjunction with private mortgages, with 2005 leverage ratios of 17:1, 6.5:1, and 5.5:1, respectively. The Agency's Self Help Loan Pool had a 2005 leverage ratio of nearly 5:1; in nearly all SHH units the non-Agency funds are provided by Habitat for Humanity. The Agency's Rural Opportunity Mortgage program utilizes funding from the USDA-Rural Development along with the HOME; each dollar of HOME leverages approximately 77 cents of USDA-RD funding. The Agency's Rental Production Program uses HOME funds in conjunction with housing tax credits to facilitate the development, reconstruction and adaptive reuse of rental housing; it had a leverage ratio of 3.3:1 for HOME-funded projects completed in 2005. The Supportive Housing Development Program had a leverage ratio of 2.8:1 for the HOME-funded project placed in service in 2005.

Also, for-profit lenders, developers, and builders, and private nonprofit housing providers across the state have been kept informed of developments in the North Carolina HOME Program by invitations to training, various workshops, public hearings, application workshops and other HOME-related events. These have also given the state the opportunity to receive significant feedback from private sector participants in the HOME Program. Other HOME-related events include:



January, 2005	A Housing Tax Credit and Compliance Training was held in Raleigh. Although the Rental Production Program, funded by HOME, was mentioned, the primary purpose was to educate owners and managing agents of developments funded with housing credits on program regulations.
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A Rental Production Program (HOME) Compliance Training Workshop was held in Raleigh for managing agents of developments funded with HOME funds and Housing Trust Fund financing. The training was to familiarize agents and owners with rulings and critical compliance issues related to the HOME program regulations and Rental Production Program requirements, as well as the Agency's Asset Management responsibilities.

A Supportive Services Compliance Training Workshop was held in Raleigh.

The Agency, jointly with Advanced Energy, sponsored a one-day training in Raleigh on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools.

February, 2005      The Agency, jointly with Advanced Energy, sponsored a one-day training in New Bern on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools.

The Consolidated Plan partners held public hearings in Marion and Salisbury about the housing needs of North Carolina residents, in preparation for the 2006-2010 Strategic Consolidated Plan.

March, 2005      The Public Hearing for the 2004 Consolidated Annual Performance and Evaluation Report (CAPER) was held at the Division of Community Assistance. During this hearing, a presentation was made on the North Carolina Housing Finance Agency's use of HOME funds during the 2004 Program Year. Those in attendance were given an opportunity to provide verbal comments during the meetings, and all residents were also able to submit written comments on the use of funds and contents of both the Consolidated Annual Performance and Evaluation Report's Housing Performance and HOME Reports.

A Housing Tax Credit and Compliance Training was held in Wilmington. Although the Rental Production Program, funded by HOME, was mentioned, the primary purpose was to educate owners and managing agents of developments funded with housing credits on program regulations.

The Agency, jointly with Advanced Energy, sponsored a one-day training in Hickory on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools

April, 2005      The Agency, jointly with Advanced Energy, sponsored a one-day training in Raleigh on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools

May, 2005      A Housing Tax Credit and Compliance Training was held in Asheville. Although the Rental Production Program, funded by HOME, was mentioned, the primary purpose was to educate owners and managing agents of developments funded with housing credits on program regulations.

A Rental Production Program (HOME) Compliance Training Workshop was held in Asheville for managing agents of developments funded with HOME funds and Housing Trust Fund financing. The training was to familiarize agents and owners with rulings and critical compliance issues related to the HOME program regulations and Rental Production Program requirements, as well as the Agency's Asset Management responsibilities.

A Supportive Services Compliance Training Workshop was held in Asheville.

June, 2005      A Round Table Discussion was held in Charlotte for developers of affordable rental housing to discuss issues related to the draft 2006 Qualified Allocation Plan for NC LIHTC Program.

The Agency, jointly with Advanced Energy, sponsored a one-day training in Hickory on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools

July, 2005      A Housing Tax Credit and Compliance Training was held in Raleigh. Although the Rental Production Program, funded by HOME, was mentioned, the primary purpose was to educate owners and managing agents of developments funded with housing credits on program regulations.

Public hearings on the 2006-2010 Strategic Consolidated Annual Action Plan were held in Wilmington and in Salisbury. The hearings included a presentation on the proposed use of HOME funds for 2006-2010. Participants were given an opportunity to comment on funding priorities of, program allocations for and households served by the HOME Program. The public hearing was conducted in conjunction with the Division of Community Assistance (in the Department of Commerce) and the Aids Care Unit and the Office of Economic Opportunity (both in the Department of Health and Human Services).

The Agency, jointly with Advanced Energy, sponsored a one-day training in Raleigh on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools.

August, 2005      A formal public hearing on the 2006 Qualified Allocation Plan, which governs the use of housing credits and Agency rental production, was held in Raleigh. Attendees, who included both for-profit and nonprofit developers, were also given the opportunity to comment on the HOME-funded Rental Production Program.

Public hearings on the 2006-2010 Strategic Consolidated Annual Action Plan were held in Asheville and Roper. The hearings included a presentation on the proposed use of HOME funds for 2006-2010. Participants were given an opportunity to comment on funding priorities of, program allocations for and households served by the HOME Program. The public hearing was conducted in conjunction with the Division of Community Assistance (in the



Department of Commerce) and the Aids Care Unit and the Office of Economic Opportunity (both in the Department of Health and Human Services).

The Agency, jointly with Advanced Energy, sponsored a one-day training in Hickory on the SystemVision™ standards, which is an option under it's HOME-funded New Homes and Self Help loan pools.

September, 2005      A Housing Tax Credit and Compliance Training was held in Greenville. Although the Rental Production Program, funded by HOME, was mentioned, the primary purpose was to educate owners and managing agents of developments funded with housing credits on program regulations.

A Rental Production Program (HOME) Compliance Training Workshop was held in Greenville for managing agents of developments funded with HOME funds and Housing Trust Fund financing. The training was to familiarize agents and owners with rulings and critical compliance issues related to the HOME program regulations and Rental Production Program requirements, as well as the Agency's Asset Management responsibilities.

Staff from the North Carolina Housing Finance Agency participated in a meeting sponsored by FDIC about ways Hispanics in North Carolina, a population group which has underutilized the mainstream lending industry, can have greater access to banks and mainstream lenders. Various lenders from around the state participated in the meeting.

A Supportive Services Compliance Training Workshop was held in Greenville

The Agency, jointly with Advanced Energy, sponsored a one-day training on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools.

October, 2005      The Agency held its annual housing forum; with over 500 representatives of the affordable housing industry attending, the forum offered workshops where nonprofit organizations, units of government, private developers, service providers, realtors, lenders and rental management companies learned about HOME-funded and other North Carolina Housing Finance Agency programs.

A public hearing on the 2006 Consolidated Annual Action Plan was held in Raleigh. The hearing included a presentation on the proposed use of HOME funds for the 2006 program year, as part of the Annual Action Plan and as a separate report on the HOME Program. Participants were given an opportunity to comment on funding priorities of, program allocations for and households served by the HOME Program. The public hearing was conducted in conjunction with the Division of Community Assistance (in the Department of Commerce) and the Aids Care Unit and the Office of

Economic Opportunity (both in the Department of Health and Human Services).

November, 2005 A Housing Tax Credit and Compliance Training was held in Boone. Although the Rental Production Program, funded by HOME, was mentioned, the primary purpose was to educate owners and managing agents of developments funded with housing credits on program regulations.

The North Carolina Housing Finance Agency participated with the Division of Community Assistance and other state-level agencies in a focus group with the purpose of recommending specific actions North Carolina should take to house its residents in the event of a disaster (such as a hurricane). The first meetings were in November.

The Agency, jointly with Advanced Energy, sponsored a one-day training in Hickory on the SystemVision™ standards, which is an option under its HOME-funded New Homes and Self Help loan pools.

December, 2005 The North Carolina Housing Finance Agency continued to participated on the Disaster Planning work group, identifying the housing-related activities the state needs to undertake for disaster response and recovery.

#### Ongoing Activities

Throughout 2005 the Supportive Housing Development Team conducted housing development and application workshops statewide, provide on-site consultation and technical assistance to local applicants and grantees, participate in annual conferences, forums, interagency councils and taskforces to advocate for supportive housing for individuals with special needs and market NC Housing Trust Fund and HOME money for the production of emergency, transitional and permanent housing available through Supportive Housing Development Program.

Agency Staff meet quarterly with a regional director from Habitat from Humanity International to coordinate the Self-Help Loan Pool design, marketing and technical assistance efforts.

The Strategic Investment staff meet quarterly with the Council of Executive Directors of the NC Community Action Association to address areas of mutual concern, hear prater feedback and discuss funding opportunities. Agency staff were presenters at the Association's two 2005 conferences.

The Agency's housing rehabilitation team are actively involved in the leadership of the Professional Housing Rehabilitation Association of North Carolina (PHRANC), currently filling roles as Secretary, Nominating Committee Chair, Conference Committee member and Communication Committee member. Staff often speak at PHRANC spring and fall training conferences.

The Agency is represented on the conference planning committee of the NC Community Development Association and is involved in a speaking capacity in at least one session of each conference.

The Agency was represented on the program of the NC Association of Community Development Corporations conference, describing the full spectrum of Agency funding opportunities.

## ***TENANT ASSISTANCE AND RELOCATION***

It has been the Agency's general policy not to fund projects that require relocation. In the event that a funded project requires relocation of tenants the project sponsor must enlist the unit of local government to pay relocation benefits and coordinate the relocation and certify to the Agency that the relocation met all the requirements of the Uniform Relocation Act. No HOME funds are used for relocation assistance.



## ***RENTAL PROJECT MANAGEMENT***

### ***Results of On-site Inspections of HOME-assisted Rental Housing***

Section 92.504d of the HOME rule outlines requirements for inspecting HOME assisted rental housing units. As part of its annual report on the HOME Program, the North Carolina Housing Finance Agency is including the information below, which demonstrates: the Agency's efforts to fulfill this regulation during the 2005 program year regarding the number, location and review date of units inspected; components of a typical (physical and record keeping) inspection; means of addressing units not meeting Housing Quality Standards (HQS) and/or Agency guidelines; and verification of rents. Of the Agency's 7,215 HOME-funded units, 525 units in 145 developments were reviewed. Should the information in this section not meet the level of detail necessary, any additional information can be reviewed during U.S. Department of Housing and Urban Development's on-site audit and review process at the offices of the North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27609.



#### ***1. Inspection: Physical review of property and audit of records***

A typical inspection consists of an annual, on-site visit of all of our HOME rental properties regardless of the number of units in the property. Compliance with all loan agreement requirements, as well as HOME program and housing tax credit program requirements, if applicable, are reviewed. In addition, the following items are checked and evaluated:

- 10% of unit files are reviewed to check eligibility documentation and confirm program eligibility and income restrictions as described in loan commitment (at least 20% of units occupied by households with incomes less than 50% of median income). Also, the frequency of tenant income re-certifications is checked.
- Affirmative Fair Housing Marketing Plan and tenant selection criteria are reviewed, as well as the waiting list and policy on accepting Section 8 certificate/voucher holders.
- All other Loan Commitment and/or tax credit requirements are checked.
- Financial records and proper Reserve Account funding are reviewed annually by desk audit.
- Lease provisions are checked to ensure that they do not contain any prohibited clauses or violate required participant protections.
- Property common areas are inspected for maintenance and accessibility. Grounds and Building exteriors and 10% of unit interiors inspected using HQS standards to identify health and safety issues, as well as to assess overall condition of units and identify any deferred maintenance.
- Rents charged have been approved by the Agency. (All rent changes must be approved by the Agency prior to implementation. Project is re-underwritten and increases are only approved to the extent necessary to meet underwriting criteria and ensure rents are below Low HOME/High HOME limitations. )
- Utility Allowance documentation is checked.

## 2. Addressing Issues of Noncompliance

All issues or concerns of noncompliance are addressed in our follow-up letters to the owner, with copies sent to the management agent. Items not meeting Housing Quality Standards are addressed in the same manner. Noncompliance items require the owner to submit documentation of correction, while concerns do not. Issues are followed up on during the next annual inspection, provided the property's overall rating was satisfactory or rated as needing improvement. Unsatisfactory ratings cause more frequent follow up inspections as the situation dictates.

## 3. Verifying Rents

All rents are checked at the annual, on-site visits, as well as when we receive the Annual Report to verify that the rents are as approved by the Agency and comply with the regulations of the HOME Program.

## 4. Compliance

During 2005, the Agency HOME rental portfolio consisted of 153 completed properties, which were monitored and found to be in compliance, with the following exception:

**Table 11, HOME Rental Properties Not in Compliance**

Name	Location	Units	Issues	Action Plan / Status
Sampson Alumni School Apartments	Clinton, NC	8	Annual Recertifications not completed	Owner has changed management agent.

## 5. Inspections of HOME-funded Units by Project

The following chart details the Agency's on-site inspection of its HOME-funded units. Units without Placed in Service (PIS) and/or Visit dates are properties that are not yet in service and therefore are not yet due for annual inspection. The number of units monitored is not counted for those properties placed in service that received courtesy visits, nor is it counted in "total units." Use the key is below:

2005 Rate	This is the rating received during their inspection review (1, Good; 2, Fair; 3, Poor; CV, courtesy visit pending , unrated)
Funding Source	The funding source for the development
HOME	Funded solely with federal HOME funds
H/HTF	Funded with federal HOME and the state Housing Trust Fund
H/DR	Funded with HOME and federal funds for disaster recovery
H/SDR	Funded with HOME and state disaster funds
H/SD/8	Funded with HOME, state disaster funds, and Section 8 funds
HOM/8	Funded with HOME and Section 8 funds
SS	Supportive Services Plans are in place
RD	Received Rural Development Project-Based Rental Assistance
# Mon	Number of units monitored during visit
Visit Date	Date of visit
PIS Date	Date development was place in service

**Table 12, Inspections of HOME-funded Units by Project**

*Page 1*

2005 Rating	Project Name	Funding Source	SS	City	County	RA	# Units	# Mon	Visit Date	PIS Date
1	Pireway Place	H/DR		Tabor City	Columbus	RD	24	2	08/23/05	10/30/01
1	Evans Pointe	H/DR		Tabor City	Columbus		32	3	11/18/05	2/11/02
1	MacGregor Village II	H/DR		Greenville	Pitt		32	3	06/09/05	3/25/02
1	Phoenix Park	H/DR		Jacksonville	Onslow		48	5	07/19/05	8/26/02
1	Gray Hill	H/DR		Grifton	Pitt	S8	40	4	07/12/05	11/1/02
1	Kings Mill	H/FDF	ss	Newport	Carteret		44	4	07/18/05	9/25/02
1	Renaissance Commons	H/FDF	ss	Elizabeth City	Pasquotank		48	5	07/12/05	10/9/03
1	Mountain Springs	H/HTF	SS	Asheville	Buncombe	S8	44	4	10/18/05	8/31/95
2	Laurel Bridge	H/HTF		Asheville	Buncombe		10	1	11/10/05	12/13/95
1	St. Paul's Green	H/HTF		Saint Paul's	Robeson	RD	24	2	10/12/05	9/20/96
1	Brookside	H/HTF		Maxton	Robeson	RD	32	3	07/13/05	11/1/96
1	Mosby Forest	H/HTF		Littleton	Warren	RD	24	2	11/22/05	11/1/96
1	Hopewell Village	H/HTF		Murphy	Cherokee	RD	24	2	05/12/05	12/12/96
1	Parkview	H/HTF		Mooreville	Iredell		43	4	06/28/05	4/25/97
1	United Manor	H/SD/8		Tarboro	Columbus	S8	50	5	03/23/05	REHAB
1	Hycienda Heights	H/SDR		Engelhard	Hyde	S8	24	2	06/22/05	9/1/95
1	Bridgewood Square	H/SDR		Belhaven	Beaufort	S8	16	2	06/22/05	9/29/95
1	Autumn Ridge	Hdisast		Jacksonville	Onslow		48	5	07/20/05	5/16/02
1	Rural Hill	HOM/8		Rural Hall	Forsyth	S8	32	3	03/18/05	9/1/03
2	Camel Courts	HOME		Greensboro	Guilford		24	2	08/30/05	5/20/94
1	Dobbins Hill	HOME		Chapel Hill	Orange		55	6	11/28/05	11/1/94
1	Orchard View	HOME		Franklin	Macon		48	5	05/11/05	11/1/94
1	Connor Creek	HOME		Hendersonville	Henderson		8	1	10/20/05	12/29/94
2	East Side Homes	HOME		Asheboro	Randolph		18	2	06/29/05	1/1/95
2	Sedgebrook	HOME	hmless	Cary	Wake		32	3	07/14/05	2/28/95
1	Graham Village	HOME		Graham	Alamance		50	5	11/30/05	5/12/95
2	58 Broadway	HOME		Asheville	Buncombe		5	1	11/10/05	5/17/95
1	McKenzie Park	HOME		Sanford	Lee		40	4	10/04/05	5/24/95
2	Everitt Square	HOME		Greensboro	Guilford		16	2	08/30/05	6/1/95
1	Carmel Ridge	HOME		Henderson	Vance		22	2	12/08/05	6/26/95
1	Falling Creek	HOME		Rockingham	Richmond		36	4	07/12/05	8/6/95
1	The Arbors	HOME		Raleigh	Wake		50	5	04/22/05	10/4/95
1	Oakwood II	HOME	ss	Yadkinville	Yadkin		24	2	10/19/05	11/9/95
1	Excelsior Apts	HOME	ss	Brevard	Transylvania		20	2	08/04/05	12/30/95
1	Meadow Brook	HOME		Morganton	Burke		38	4	11/03/05	12/30/95
1	Forest Park Gardens I	HOME		Statesville	Iredell		40	4	06/29/05	1/18/96
1	Meacham House	HOME		Roanoke Rapids	Halifax		5	1	06/07/05	3/4/96
1	Barrett Place	HOME		Greenville	Pitt		48	5	06/22/05	7/15/96
2	Royall Mill	HOME		Wake Forest	Wake		56	6	10/14/05	9/18/96
1	Woodland Hills	HOME	ss	Burnsville	Yancey	S8	32	3	08/11/05	9/30/96
1	St. Andrews Home	HOME	ss	Charlotte	Mecklenburg		34	3	12/09/05	10/1/96
1	The Willows	HOME	ss	Morganton	Burke		36	4	06/17/05	1/23/97
1	The Magnolias	HOME	ss	Raleigh	Wake		40	4	11/04/05	4/15/97
1	Jackson Terrace	HOME	ss	Carthage	Moore	S8	16	2	07/14/05	7/15/97

**Table 12, Inspections of HOME-funded Units by Project (continued)**

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2005 Rating	Project Name	Funding Source	SS	City	County	RA	# Units	# Mon	Visit Date	PIS Date
1	Golfview	HOME	ss	Hope Mills	Cumberland		48	5	05/19/05	7/29/97
1	Southwood Studios***	HOME	ss	Greensboro	Guilford		59	6	08/30/05	8/20/97
3	Chestnut Place	HOME		Lumberton	Robeson		48	5	12/07/05	9/1/97
1	Parkview	HOME		Hendersonville	Henderson		32	3	10/19/05	9/1/97
1	Marsh Creek	HOME	ss	Raleigh	Wake	S8	24	2	04/22/05	9/15/97
1	Autumn Chase	HOME	ss	New Bern	Craven	S8	34	3	08/10/05	10/1/97
1	Garden Spring	HOME	ss	Raleigh	Wake		33	3	07/29/05	10/9/97
1	Greenfield	HOME	ss	Laurinburg	Scotland		48	5	07/27/05	11/1/97
1	Hawthorne Village	HOME	ss	Scotland Neck	Halifax	RD	20	2	05/27/05	11/1/97
1	Beechridge	HOME	ss	Apex	Wake		40	4	06/28/05	11/30/97
1	Weston Trace	HOME	ss	Gamer	Wake		48	5	12/02/05	12/23/97
1	River Glen	HOME	ss	Arden	Buncombe		38	4	10/19/05	2/27/98
1	Summerset Court	HOME	ss	Wilson	Wilson		48	5	12/01/05	3/30/98
1	Olde School Commons	HOME	ss	Gamer	Wake		45	5	11/10/05	5/1/98
1	CASPN Homes	HOME	ss	Ashboro	Randolph		51	5	11/23/05	6/29/98
2	Apple Tree Apts.	HOME	ss	Sanford	Lee		40	4	11/17/05	9/25/98
1	Camellia Court	HOME	ss	Morehead City	Carteret		44	4	09/26/05	9/29/98
1	Northgate II	HOME	ss	Bessemer City	Gaston		24	2	09/01/05	10/2/98
1	Lakeside	HOME	ss	Elizabeth City	Pasquotank		50	5	07/12/05	11/2/98
1	Woodland Olney	HOME	ss	Woodland	Northampton	S8	30	3	02/16/05	11/18/98
1	Barrett Place II	HOME	ss	Greenville	Pitt		48	5	06/22/05	11/30/98
1	Woodland Park	HOME	ss	Hickory	Catawba		64	6	11/02/05	12/4/98
1	Grace Court	HOME	ss	Lumberton	Robeson	S8	24	2	07/27/05	12/22/98
1	Meadow Spring	HOME	ss	Raleigh	Wake		33	3	07/29/05	2/4/99
1	Best Village	HOME	ss	Kinston	Lenoir		50	5	08/16/05	7/1/99
1	New Horizons	HOME	ss	Washington	Beaufort	RD	24	2	08/22/05	7/1/99
	Crosswinds Green	HOME	SS	Fayetteville	Cumberland		48	5	05/18/05	7/12/99
1	Santree Commons	HOME	ss	Williamston	Martin	RD	24	2	04/29/05	8/5/99
2	The Overlook	HOME	ss	Asheville	Buncombe		48	5	10/18/05	9/11/99
1	Braxton Manor	HOME	ss	Siler City	Chatham		32	3	11/21/05	9/21/99
1	Rockwood North	HOME		Durham	Durham		24	2	06/08/05	10/1/99
1	Thorne Ridge	HOME	ss	Rocky Mount	Edgecombe		32	3	05/17/05	12/15/99
1	Wilkins Court	HOME		Roper	Washington	S8	16	2	06/22/05	12/22/99
2	Sampson Alumni	HOME		Clinton	Sampson		8	1	12/02/05	1/1/00
1	Villa Trace	HOME	ss	King	Stokes		48	5	10/20/05	2/14/00
1	Kingsgate South	HOME		Greensboro	Guilford		36	4	10/26/05	3/1/00
1	Longleaf Apts.	HOME		Lumberton	Robeson		36	4	07/13/05	3/13/00
1	Woodland Manor	HOME	SS	Hickory	Catawba		48	5	11/03/05	3/16/00
2	NHS Scattered Apts	HOME		Asheville	Buncombe		16	2	11/10/05	4/1/00
1	Willow Spring Apts.	HOME	ss	Greenville	Pitt		33	3	04/18/05	4/28/00
1	Crosswinds Apts.	HOME		Salisbury	Rowan		40	4	08/08/05	6/14/00
1	Jackson Terrace II	HOME	ss	Carthage	Moore	S8	22	2	07/14/05	8/17/00
1	Kingsway	HOME	ss	King	Stokes		28	3	10/19/05	10/1/00
1	The Bungalows	HOME	ss	Davidson	Mecklenburg		32	3	08/09/05	10/16/00



**Table 12, Inspections of HOME-funded Units by Project (continued)***Page 3*

2005 Rating	Project Name	Funding Source	SS	City	County	RA	# Units	# Mon	Visit Date	PIS Date
1	Madison Glen Apts.	HOME	ss	Raleigh	Wake		50	5	10/21/05	10/19/00
1	Elm Green Apts.	HOME	ss	Newport	Carterett		48	5	04/22/05	10/22/00
2	Barden Ridge	HOME		Roxboro	Person		48	5	05/18/05	10/30/00
1	Troon	HOME	ss	Beaufort	Carteret		44	4	09/26/05	11/1/00
1	Wood Hawk	HOME	ss	Rocky Mount	Edgecombe		58	6	07/12/05	11/1/00
1	Canterbury Place	HOME	SS	Reidsville	Rockingham		40	4	10/20/05	11/21/00
2	Bay River Apts.	HOME		Bayboro	Pamlico		20	2	04/22/05	12/20/00
1	Cane Creek Village	HOME	ss	Bakersville	Mitchell		24	2	08/11/05	12/28/00
1	Gresham Place	HOME	SS	Wilmington	New Hanover		51	5	05/31/05	12/29/00
1	Willow Run	HOME	ss	Morganton	Burke		24	2	06/17/05	12/31/00
1	Vespers II	HOME		Winston-Salem	Forsyth	S8	28	3	11/01/05	1/1/01
1	Cedar Bluffs	HOME	SS	Hendersonville	Henderson		64	6	10/21/05	1/18/01
1	White Oak Manor	HOME	SS	Swansboro	Onslow		40	4	05/19/05	2/7/01
1	Koinonia II	HOME		Lenoir	Caldwell		38	4	11/09/05	3/19/01
1	Highland Village	HOME	ss	Sparta	Alleghany	S8	30	3	08/10/05	4/18/01
1	Wind Ridge	HOME		Asheville	Buncombe		40	4	10/19/05	5/4/01
1	McKenzie Park, II	HOME	SS	Sanford	Lee		36	4	10/04/05	7/2/01
1	Creston Commons	HOME	ss	Southern Pines	Moore		48	5	07/14/05	7/10/01
	Crosswinds Green II	HOME	ss	Fayetteville	Cumberland		48	5	05/18/05	7/30/01
1	Littleton Estates	HOME		Littleton	Warren	RD	24	2	11/22/05	8/30/01
1	Baldwin Place	HOME	ss	Maxton	Robeson	RD	36	4	07/13/05	10/4/01
1	Crowell Square	HOME	ss	Asheville	Buncombe		40	4	07/27/05	10/5/01
1	Ridge Run	HOME		Albemarle	Stanley		48	5	12/09/05	10/15/01
1	Haymount Manor	HOME	ss	Fayetteville	Cumberland		48	5	10/24/05	10/24/01
1	Dunbar Place	HOME	ss	Asheville	Buncombe		74	7	08/03/05	11/20/01
1	Scottish Winds	HOME		Laurinburg	Scotland	RD	36	4	08/05/05	12/4/01
1	Silver Springs Apts	HOME	SS	Zebulon	Wake		33	3	07/29/05	3/5/02
1	Hampton Place	HOME		Whiteville	Columbus	RD	28	3	08/24/05	4/15/02
1	The Village of Rosedale	HOME	ss	Charlotte	Mecklenburg		74	7	06/28/05	5/21/02
1	Spaulding Woods	HOME	SS	Marion	McDowell		44	4	08/12/05	6/28/02
1	Perfection Park Apts	HOME		Belmont	Gaston		50	5	11/22/05	7/26/02
1	Windtree	HOME	ss	Southport	Brunswick	RD	24	2	08/24/05	8/1/02
1	Devonshire Apts	Home	ss	Pinetops	Edgecombe	RD	25	3	08/09/05	8/2/02
1	Fairwoods Apts.	Home	ss	Fairmont	Robeson	RD	24	2	08/05/05	9/3/02
1	Meadow Park Apts.	Home	ss	Nashville	Nash	RD	25	3	05/11/05	10/1/02
1	Creekridge	HOME	ss	Middlesex	Nash	RD	25	3	05/11/05	10/31/02
1	Tilghman Square II	HOME	SS	Dunn	Harnett	RD	23	2	11/08/05	11/8/02
1	River Walk Apartments	HOME		Grifton	Pitt	RD	24	2	06/21/05	12/15/02
3	Kinston Oaks	HOME		Kinston	Lenior	S8	32	3	12/28/05	12/31/02
1	LaGrange Villas	HOME		LaGrange	Lenoir	RD	23	2	11/28/05	3/28/03
1	Woodgreen	HOME		Aberdeen	Moore		44	4	03/22/05	5/1/03
1	Hillside Commons	HOME		Hendersonville	Henderson	RD	36	4	08/02/05	6/2/03
1	Raintree	HOME		Rose Hill	Duplin	RD	24	2	08/11/05	7/31/03
1	Berkely Spring Apts.	HOME		Raleigh	Wake		36	4	04/20/05	8/22/03

**Table 12, Inspections of HOME-funded Units by Project (continued)**

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2005 Rating	Project Name	Funding Source	SS	City	County	RA	# Units	# Mon	Visit Date	PIS Date
1	Oxford Place	HOME		Beulaville	Duplin	RD	24	2	08/11/05	10/1/03
1	Springwood	HOME	RD	Richlands	Onslow	RD	25	3	08/11/05	10/29/03
2	Maplewood	HOME		Sparta	Alleghany	S8	30	3	03/09/05	11/4/03
1	Deerfield Apts.	HOME	ss	Enfield	Halifax	RD	24	2	05/27/05	11/12/03
1	Park Place	HOME	SS	Snow Hill	Greene	RD	32	3	12/06/05	11/17/03
1	Trent River	HOME	RD	Trenton	Jones	RD	25	3	08/11/05	11/26/03
1	Legion Manor	HOME		Hope Mills	Cumberland		44	4	03/15/05	12/12/03
1	Chestnut Hills	HOME	ss	Raleigh	Wake		50	5	05/24/05	12/15/03
1	Park Place II	HOME		Moorestville	Iredell	RD	24	2	06/22/05	12/17/03
1	Wallace Senior Village	HOME		Wallace	Duplin	RD	24	2	06/10/05	12/29/03
1	Wesley Ridge	HOME		Lumberton	Robeson	RD	24	2	12/07/05	3/4/04
1	Historic Elk Park	HOME		Elk Park	Avery		40	4	08/12/05	6/7/04
1	Hodges Creek	HOME		Raleigh	Wake		50	5	11/09/05	6/15/04
1	Holly Haven	HOME		Franklin	Macon		48	5	07/21/05	7/1/04
CV	Southview Green	HOME	8	Hope Mills	Cumberland		72		08/19/05	10/5/04
CV	Ashley Ridge	HOME		Burgaw	Pender	RD	20		03/11/05	12/1/04
CV	Blue Point Bay	Home	7	Morehead City	Carteret	S8	64		04/21/05	12/1/04
1	Myrtle Place	HOME		Goldsboro	Wayne		60	6	08/17/05	12/15/04
CV	The Comons @High Villg	HOME		Cary	Wake		68		02/17/05	1/17/05
CV	Weatherstone Spring CCL	HOME		Cary	Wake		72		03/11/05	2/25/05
CV	Northpoint Commons	HOME	4	Woodfin	Buncombe		39			3/7/05
CV	Salem Gardens	HOME	15	Winston-Salem	Forsyth		149		04/06/05	Rehab
	Tyler Run I(Edenton Manor)	HOME	5	Edenton	Chowan	S8	51			Rehab
	Tyler Run II	HOME	6	Edenton	Chowan		60			Rehab
	Carolina Gardens	HOME	5	Kings Mountain	Gaston		50			Rehab
	Hotel Kinston	HOME	4	Kinston	Lenior		38			Rehab
	Nelson Crossings	HOME		Mebane	Alamance		53			Rehab
	Fayetteville Gardens	HOME		Fayetteville	Cumberland		99			Rehab
CV	Ashton Spring	HOME		Ayden	Pitt	RD	25			
CV	Bunce Manor	HOME	4	Fayetteville	Cumberland		48		08/19/05	
CV	Cardinal Chase	HOME	5	Silver City	Chathan		48			
CV	Creston Commons II	HOME	3	Southern Pines	Moore		32			
CV	Deer View	HOME		Ayden	Pitt	RD	25			
CV	Elders Peak	HOME		Raleigh	Wake		48		06/24/05	
CV	Elmwood	HOME		Vanceboro	Craven		24			
CV	Garden Walk Villas	HOME	5	Henderson	Vance	S8	48		11/04/05	
CV	Hamilton Ridge	HOME	5	Hamilton	Martin	RD	24			
CV	Highland Village	HOME	5	Cary	Wake		50			
CV	Laurel Village	HOME		Brevard	Transylvania	RD	29			
CV	Mountain View Senior Apt	HOME	5	Kernersville	Forsyth		50		11/08/05	
CV	Perry Hill	HOME	5	Raleigh	Wake		48			
CV	Stokesburg Meadows	HOME		Walnut Cove	Stokes	RD	32		04/12/05	
CV	Tarboro Square	HOME		Tarboro	Edgecombe		24			
CV	The Park at Cline Village	HOME		Conover	Catawabe		48			

**Table 12, Inspections of HOME-funded Units by Project (continued)***Page 5*

2005 Rating	Project Name	Funding Source	SS	City	County	RA	# Units	# Mon	Visit Date	PIS Date
CV	Village of New Hope	HOME	5	Raleigh	Wake		45			
CV	Windsor Spring CCL Seno	HOME		Raleigh	Wake		39		07/29/05	
	Autumn Trace	HOME	4	Raleigh	Wake		34			
	Phoenix Park II	HOME	5	Jacksonville	Onslow		48			
	Woodgreen II	HOME	5	Aberdeen	Moore		44			
	Northpoint Commons II	HOME		Woodfin	Buncombe		30			
	Legion Crossing	HOME		Hope Mills	Cumberland		48			
	Terrace Spring	HOME		Raleigh	Wake		48			
CV	Bailey Springs	HomeM		Lincolnton	Lincoln	S8	28		11/08/05	1/5/05
CV	Blue Springs	HomeM		Jacksonville	Onslow		40		08/12/05	
	Auburn Trace	HOMM		Burlington	Alamance		80			
	Tangelwood	HOME		Morehead City	Carteret		40			

## ***HOME MATCH AND PROGRAM INCOME***

Annually, the North Carolina General Assembly appropriates funds for HOME Match. During the 2005 Program Year the General Assembly appropriated \$1,750,945 to be used as HOME Match. In the early years of HOME Match appropriations, the funds were used for the Agency's Single Family Rehabilitation Program, as substantial, owner-occupied rehabilitation, where the housing was brought up to code, and was an eligible activity under the HOME Program. In recent program funding cycles, the Agency has used state-appropriated HOME Match funds for the Rental Production Program, to develop affordable rental units, which is also an eligible activity under the HOME Program.



Following this page you will find the Annual Performance Report (HUD-40107) which contains information about HOME Program Income, and the HOME Match Report (HUD-40107-A) which contains information about HOME Matching funds.

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## **Housing Opportunities for Persons with AIDS (HOPWA) Program** **2005 Grantee Narrative**

### **Grantee and Community Overview**

The HOPWA formula grant was first funded for the State of North Carolina in 1992 and served the entire state until 1998. In that year, Charlotte and Raleigh became eligible for a HOPWA formula allocation and the State's area was reduced. Since 1998, the state's grant serves people living with HIV/AIDS and their families who are outside of those metropolitan areas. Therefore, the state HOPWA program covers 92 of the 100 counties in NC.

The State HOPWA grant is administered by the North Carolina Department of Health and Human Services, Division of Public Health, Epidemiology Section, HIV/STD Prevention and Care Branch, AIDS Care Unit. The State's HOPWA program year coincides with the state fiscal year of July 1 – June 30.

In 2005, the following HOPWA Project Sponsors were awarded funding to complete HOPWA-funded activities:

- Coastal Carolina HIV Consortium
- Eastern NC HIV/AIDS Consortium (ENCHAC)
- Eastern Triad HIV Consortium
- Northwest Care Consortium
- Partners in Action Care Consortium
- Piedmont HIV Health Care Consortium
- Regional HIV Care Consortium
- Western NC HIV/AIDS Consortium
- Robeson County Health Department/Dogwood Consortium
- Albemarle Regional Health Services/Jeff Jones Consortium
- MTW District Health Department/Down East HIV/AIDS Consortium
- Western NC Community Health Services (Adult Day Services)
- Western NC Community Health Services (Family Care Home)
- AIDS Care Services (Family Care Home)
- Alliance of AIDS Services Carolina (Family Care Home)
- Community Alternative Housing, Inc. (Family Care Home)
- Community Service Network (Tenant-based rental assistance)
- Greenville Housing Authority (Tenant-based rental assistance)
- Jemsek Project (Tenant-based rental assistance)
- Sandhills Community Action Program (Tenant-based rental assistance)



These agencies provided the following HOPWA eligible activities:

- **Short-term Rent, Mortgage and Utility Assistance:** This activity was provided solely by the HIV Care Consortia, which includes emergency housing assistance (for 21 out of 52 weeks), resource identification, housing information and support services for individuals and families to remain in their own homes. In addition, Consortia subcontract services for tenant-based rental assistance and operating expenses.
- **Operating Expenses:** Funds are used to enable Adult Day Care and Adult Day Health services centers to provide needed respite to caregivers, allowing them to remain employed during the period that they are caring for loved ones. In addition, adult day care centers provide essential outpatient health and support services to persons living with HIV/AIDS and their families. Also, funds are used *for* Family Care Homes. These HIV Family Care Homes (group homes) provide twenty-four (24) hour care for persons in the acute stages of the illness that cannot provide for themselves adequately in an independent living situation. Furthermore, agencies can also use funds for housing information and resource identification as well as supportive services.
- **Tenant-Based Rental Assistance:** Tenant based rental assistance activities are awarded to housing authorities/non-profit agencies that provide rental assistance for persons with HIV/AIDS and their families. Furthermore, agencies can also use funds for housing information and resource identification as well as supportive services.

### **Grant Management**

North Carolina's FY 2005 HOPWA allocation was \$2,010,000. The HOPWA Program receives annual funding, which can be spent over a three-year period. Program funds for FY 2005 were awarded through a competitive request for application process beginning July 1, 2005 to June 30, 2006. Based on the 2004 statewide HOPWA Needs Assessment, 60% of funds were allocated to emergency financial assistance, 14% operating expenses for dedicated housing facility and 26% for tenant-based rental assistance.

The AIDS Care Unit reviews applications from HOPWA Project Sponsors to fund and support eligible HOPWA activities under HUD's 24 Code of Federal Regulations Part 574. The eligible activities addressed in the competitive application reflect the critical issues and recommendations from the 2004 needs assessment process conducted by AIDS Housing of Washington and the HOPWA Needs Assessment Steering Committee in collaboration with the HIV/STD Prevention and Care Branch, and within constraints of the availability of resources to fund programs for each eligible activity.

The following overarching considerations applied to HOPWA funded applicants:

1. Funds should be distributed throughout the State, both in urban and rural areas within the 92 of the 100 counties served by the state HOPWA Program.

2. HOPWA-funded programs should be client centered.
3. Agencies must demonstrate knowledge of HIV/AIDS issues and develop protocols to ensure confidentiality.
4. Agencies must indicate their willingness to actively collaborate with community-based organizations, AIDS service organizations and other at-large community agencies to establish a referral network.
5. Ensure that people receiving HOPWA funds have access to a case manager and a housing care plan for the future.
6. Demonstrate their ability to meet HUD and local housing quality standards relating to habitability and access.
7. Have the financial and programmatic capabilities of managing a housing program as it relates to federal and state guidelines.
8. Serve clients at or below 30% of median family income level.

The AIDS Care Unit facilitated an external review process. This process included review of budget and budget justification narrative, service delivery plan, history of providing service, etc.

The AIDS Care Unit (ACU) is required by the Division of Public Health to monitor the programmatic and fiscal responsibilities of all HOPWA Project Sponsors. Based on the contractual agreement, the scope of work of each Sponsor's contract outlines the performance monitoring measures for HOPWA Project Sponsors. This includes the following:

- Submission of quarterly reports to the AIDS Care Unit (ACU) detailing qualitative and quantitative activities.
- Attendance at mandatory meetings sponsored by the ACU.
- Submission of a yearly program questionnaire detailing HOPWA activities. This information must be submitted to the HOPWA Administrator by April 21, 2006 for submission to HUD as part of the State's HOPWA Integrated Disbursement Information System (IDIS) reporting requirements.
- Site visits to the agency.
- Review of monthly contract expenditure reports and monthly detailed expenditure reports.
- Additionally, performance monitoring will be based on the timely submission of monthly expenditure reports with supporting documentation.
- Performance monitoring is documented for each Project Sponsor in writing and maintained in an agency notebook.

## **Local Jurisdiction**

According to the NC Epidemiological Profile for HIV/STD Prevention and Care (7/05), there were 28,818 cumulative number of individuals reported with HIV disease. Of this, 18,639 are within the 92 counties served by the State HOPWA Program.

Nationally, in 2003, NC reported the 2<sup>nd</sup> highest number of AIDS cases from non-metropolitan areas. Since the early 1990s, about 25% of NC HIV disease reports have consistently come from rural or non-metropolitan areas.

Based on the 2004 NC HIV/AIDS Housing Plan, there are at least 66 permanent housing units and 68 tenant-based rental assistance vouchers (includes Shelter Plus Care and HOPWA) that are dedicated to persons living with HIV/AIDS within the counties covered by the State of NC HOPWA Program.

The inventory of housing units and resources available are not abundant enough to meet the growing need.

## **Planning for the Use of HOPWA Funds**

The State of NC contracted with AIDS Housing of Washington to facilitate a statewide needs assessment process in January 2004. This process was overseen by a diverse Steering Committee that included people living with HIV/AIDS. The Steering committee provided oversight and guidance for the process, reviewed key findings, identified critical issues and developed recommendations to address HIV/AIDS housing issues in the state.

This process yielded a NC State Housing Plan for persons living with HIV/AIDS. The findings and recommendations were implemented in 2005 via a HOPWA competitive request for application process.

## **Project Accomplishment Overview**

During the 2005 fiscal year, HOPWA funds supported more than 1940 units with HOPWA funds. This includes short-term rent, mortgage and utility assistance (1834), rent assistance (98) and facility-based housing (operating expenses- 8).

Agencies funded in 2005, not only provided housing information and resource identification, but supportive services such as case management, transportation, and nutritional counseling.

Name of HOPWA Grantee: State of NC

Report covers the period: 07/ 01/05 to 06/30/06

**Performance Chart 1 -- Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS that were Supported during the Operating Year**

Type of Unit:	Number of units with HOPWA funds	Amount of HOPWA funds	Number of units with Other funds	Amount of Other funds	Deduction for units reported in more than one column	TOTAL by type of unit
1. Rental Assistance	98	235,000				98
2. Short-term/emergency housing payments	1834	627,000				1834
3-a. Units in facilities supported with operating costs	8	113,000				8
3-b. Units in facilities that were developed with capital costs and opened and served clients						
3-c. Units in facilities being developed with capital costs but not yet opened						
Subtotal	1940	975,000				1940
Deduction for units reported in more than one category						
TOTAL	1940	975,000				1940

Please enter the numbers corresponding to performance over the period of time indicated as the operating period for this activity, generally a one year period based on the grantee Consolidated Plan cycle (e.g., June 1 to May 31).

Performance is measured by the number of units of housing that were supported with HOPWA or other Federal, State, local and private funds for the purposes of providing housing assistance or residential support to persons living with HIV/AIDS and their families. Note that this chart does not directly measure supportive service costs. Note that the number of units of housing from HOPWA funds must be the same as reported in the annual year-end IDIS (or APR) data for the three general types of housing: 1. Rental assistance payments; 2. Short-term rent mortgage and utility payments; and 3. Units in facilities such as community residences, SRO dwellings or other facilities, where operating costs or development costs are incurred.

Name of HOPWA Grantee: State of NC

Report covers the period: 7/1/05 to 6/30/06

**Performance Chart 2 -- Comparison to Planned Actions, as approved in the Action Plan/Consolidated Plan for this Operating Year (Estimated Numbers of Units)**

Type of Unit:	Estimated Number of Units by type in the approved Consolidated Plan/Action Plan for this operating year	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance	110	the actual number is less (12)—due to vast closures of wait list for Section8 in NC
2. Short-term or emergency housing payments	2000	the actual number is less (166)- due to lack of reporting of client and family
3-a. Units in facilities supported with operating costs		ConPlan references number of persons served not units
3-b. Units in facilities that were developed with capital costs and opened and served clients		
3-c. Units in facilities being developed with capital costs but not yet opened		
Subtotal	2110	
Deduction for units reported in more than one category		
TOTAL	2110	

Performance Chart 2 repeats information from the plan that was approved for HOPWA-related activities under the grantee's Consolidated Plan/Action Plan. This information should report the estimated number of units that were planned for this operating year with HOPWA, grantee and other funds.

Under the **Comment on comparison with actual accomplishments** column, comments may be provided or cited regarding differences between planned activities (based on estimates from the prior year) and the actual accomplishments over this operating year. In addition to narratives in the CAPER, comments may be provided or attached regarding the comparison of planned activities and actual performance.

## **PUBLIC PARTICIPATION**

On March 14, 2006, DCA held a Public Hearing at the Methodist Building in Raleigh, North Carolina, to receive comments associated with the North Carolina Consolidated Annual Performance and Evaluation Report (CAPER). Below is a summary of the proceedings.

Attendees: Sam Mordka-NCHFA, Margaret Bergholz-NCHFA, Phyllis Johnson-DHHS, George Collier - North Carolina Commerce Finance Center, Marilyn Suitt-DHHS, Erin Crossfield-NCHFA, Lawrence Wilson-DHHS, Aaron Cain-DCA, Vickie Miller-DCA, Bill McNeil-NC Rural Center, Ella Limehouse-DCA

**Vickie Miller Assistant Director, Division of Community Assistance, opened the public hearing at 10:15 a.m.**

Four Partner Agencies

- Division of Community Assistance
- Housing Finance Agency-HOME
- Office of Economic Opportunity-ESG
- AIDS Care Unit-HOPWA

### **Aaron Cain –North Carolina Division of Community Assistance-CDBG Performance Report for 2005**

- Main focus on two goals outlined in the Commerce Department's strategic plan: Building Stronger Communities and Creating Jobs
- Stimulating development in rural communities and urban areas, which have not experienced positive growth
- Funded all of our program categories except the STEP Program (Straight Piping Elimination Program,
- Continue high levels of funding in its core programs of Scattered Site Housing and Concentrated Needs

CDBG Grants were awarded in the following categories in 2005: Community Revitalization (which includes Concentrated Needs and Revitalization Strategies, Scattered Site Housing, Economic Development, Housing Development, Infrastructure, Capacity Building, Individual Development Account, and Urgent Needs/Contingencies.

### **Erin Crossfield-North Carolina Housing Finance Agency-HOME Performance Report for 2005**

- Downpayment Assistance Program, interest free loans, deferred second mortgages up to \$7,000 for first-time homebuyers
- In 2005, \$1.05 million budgeted for and \$1.85 million loaned to first-time home buyers

- Federal and State Housing Credit Program, tax credits allocated to for profit and nonprofit developers through one competitive two stage annual funding cycle
- Mortgage Credit Certificate \$100 million in funds available
- New Homes Loan Pool \$3 million
- Rental Production Program \$3.2 million
- Self Help Housing Program \$2 million allocated
- Single Family Loan Program (MRB) \$315 million of bonds issued in 2005 for eligible borrowers on a loan-by-loan, first come first served basis
- Single Family Rehabilitation Program (SFR) \$6 million in SFR funds available
- Supportive Housing Development Program (SHDP) \$8.5 loan funds to existing nonprofits to develop rental housing for populations with special needs

### **Lawrence Wilson-North Carolina Office of Economic Opportunity-ESG Performance Report for 2005**

The primary causes for homelessness cited by persons served by ESG grantees during 2004 included alcohol and/or substance abuse, unemployment and/or underemployment, dual diagnosis, mental illness, domestic violence, eviction, transient/relocation, prison release, and health-related disability. Our main focus is prevention.

- Emergency Shelters \$2.5 million dollars
- 95% Homeless Shelters funded, 117 nonprofit organizations and three units of local government operating a total 144 shelters funded in 53 counties
- \$124,680 (5%) used for Program Administration
- \$6,500 to \$1,000 maximum amount of funds
- July 1-June 30 Fiscal Year
- ESG grants cover operations, rental cost and utility cost

### **Phyllis Johnson-North Carolina Department of Health & Human Services-HOPWA Performance Report for 2005**

The State HOPWA grant is administered by the North Carolina Department of Health and Human Services, Division of Public Health, Epidemiology Section, HIV/STD Prevention and Care Branch, AIDS Care Unit. The State's HOPWA program year coincides with the state fiscal year of July 1-June 30.

- Allocation of \$2,010,000
- Program funds for 2005 awarded through a competitive application process, funds good for 3 years
- 60% of funds allocated to emergency financial assistance
- 14% operating expenses
- 26% for tenant-based rental assistance
- In 2005 there were 28,818 cumulative number of individuals reported with HIV disease.
- 18,639 are within the 92 counties served by the State HOPWA Program

*State of North Carolina*

*2005 Consolidated Annual Performance and Evaluation Report*

*March 31, 2006*

**Vickie Miller opened the public comment period for 2005 CAPER at 10:30 a.m.**

- One comment was made praising DCA for funding the Individual Development Program, and encouraging DCA to continue to do so in the future – Bill McNeil, North Carolina Rural Economic Development Center
- For submission of comments after the hearing, a written comment is preferred
- Deadline for Public Comments March 29, 2005

**Vickie Miller closed the public comment period and the public hearing for the 2005 CAPER at 10:35 p.m.**

No written comments were submitted related to the 2005 CAPER.